

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
MIDLAND-ODESSA DIVISION**

CENTRAL MUTUAL INSURANCE COMPANY §

V. §

TRISHA LEE WELCH §

§  
§  
§  
§  
§  
§  
§

CA No. 7-20-cv-00081

**PLAINTIFF'S ORIGINAL COMPLAINT  
FOR DECLARATORY RELIEF**

**TO THE HONORABLE UNITED STATES DISTRICT COURT:**

COMES NOW Central Mutual Insurance Company and respectfully files this its Original Complaint for Declaratory Relief against Trisha Lee Welch pursuant to Fed. R. Civ. P. 15(a) and 81(c) and respectfully would show the following:

1. Plaintiff Central Mutual Insurance Company is a national enrolled insurer with its principle place of business at 800 S. Washington Street, Van Wert, OH 45891-2381.
2. Defendant Trisha Lee Welch is a Texas resident and can be served at her residence at 1301 W. 13<sup>th</sup>, Apartment 7, Odessa, Texas 79763.
3. This Court has jurisdiction under 28 U.S.C. 1332 in that the parties are citizens of diverse states, and the amount in controversy exceeds \$75,000.00.
4. Central seeks declaratory judgment under the federal Declaratory Judgment Act 28 U.S.C. §§ 2201-2202 and Fed. R. Civ. P. 57 that it owes no duty to defend or indemnify Trisha Lee Welch in the Underlying Suit.
5. Gemini Pilot Services LLC is the Named Insured under Central Mutual

Commercial Lines Policy No. CLP 9899281 10, with effective dates of 3/12/18-19 (the “Policy” or “CLP”). The policy is subject to a \$1 million per occurrence limit, with \$2 million aggregate.

6. Gemini Pilot employee Trisha Lee Welch is the named defendant in Cause No. A-19-11-1519-CV; *Brad King, et al. v. Trisha Lee Welch*; in the 70th Judicial District Court of Ector County, Texas (the “Underlying Lawsuit”). A true and correct copy of the Petition is attached at Exhibit “A” and incorporated herein by reference.
7. The Underlying Lawsuit alleges that on or about February 3, 2019, at approximately 12:03 p.m., Defendant Welch attempted to block the northbound lane of traffic on the south frontage road of SH 176 due to a commercial motor vehicle traveling the wrong way.
8. The Underlying Lawsuit further alleges that Defendant Welch’s blocking of the roadway caused a tractor-trailer traveling north on SH 349 to come to an abrupt stop, causing the vehicle occupied by Roger Lee King and Wendy Lynn Caban to collide into the rear of the tractor trailer. Plaintiffs claim that as a result of the collision, Roger Lee King and Wendy Lynn Caban were injured and died.
9. The Underlying Lawsuit alleges causes of action against Welch for negligence, gross negligence, and negligence per se, allegedly resulting in various damages.
10. Central Mutual asserts the applicability of certain policy definitions, provisions, and exclusions in the applicable Policy, which exclude any duty to defend and/or indemnify Welch. Specifically, Central relies on Policy Definition I, which defines “Insured” to mean:

2. any current ... employee ... but solely while acting on behalf of [Gemini Pilot] or any subsidiary and within the course and scope of

their duties as such.

*See* CLP 8-2364 01 17, p. 3 of 12.

11. Central would show that the allegations in the Underlying Lawsuit establish that Welch was not acting on behalf of Gemini Pilot or within the course and scope of her duties by attempting to stop traffic at the time of the alleged incident. Central attaches as Exhibit “B” a certified copy of the subject Central Mutual CLP policy, which is incorporated herein by reference.
12. Central also relies upon the definition of “Professional Services” in the Professional Liability Endorsement to the CLP policy, Definition P, which provides:

**Professional services** means services performed by an **Insured** for others for a fee solely while in the pursuit of the business activities stated in the Schedule, Declarations or Change Endorsement. Professional Services does not include an independent action of the insured outside of or not related to any business activity performed for a fee as stated in the Schedule, Declarations or Change Endorsement.

*See* 8-2364 01 17, p. 4 of 12. As stated in the Declarations, the Premises and Operations included are “Pilot Car Operations.” *See* 8-1527 1185, p. 6 of 7.

13. Central would show, and requests Declaratory Judgment, that the Policy definitions, terms, and exclusions apply to preclude coverage for Welch for the Underlying Lawsuit or for any potential duty to defend or indemnify arising therefrom under the CLP policy.
14. Central respectfully requests a bench trial as to issues of fact, if any.

**WHEREFORE, PREMISES CONSIDERED,** Central Mutual Insurance Company prays that the Court (1) grant Central Mutual declaratory and other relief in the form of a declaration that Central Mutual owes Welch neither a duty to defend nor to indemnify for the allegations of the Underlying Lawsuit under the Central Mutual CLP policy; and (2) grant Central Mutual costs of court and all other and further relief to which Central Mutual Insurance Company may be justly entitled.

Respectfully submitted,

CHAMBERLAIN ♦ MCHANNEY

301 Congress, 21<sup>st</sup> Floor

Austin, Texas 78701

(512) 474-9124

(512) 474-8582 (Facsimile)

By: /s/ SCOTT FRALEY

J. GORDON MCHANNEY

Texas Bar No. 13670100

[gmchaney@chmc-law.com](mailto:gmchaney@chmc-law.com)

SCOTT FRALEY

Texas Bar No. 07353050

[sfraley@chmc-law.com](mailto:sfraley@chmc-law.com)

**ATTORNEYS FOR PLAINTIFF**

# **EXHIBIT A**

CAUSE NO. A-19-11-1519-CV

BRAD KING, DEBRA GERDAU,  
 ADAM BRENT KING,  
 INDIVIDUALLY AND AS HEIRS AT  
 LAW TO THE ESTATE OF ROGER LEE  
 KING UNDER THE TEXAS  
 WRONGFUL DEATH ACT AND  
 ANGELA LUISA CABAN, ANTHONY  
 L. CABAN, INDIVIDUALLY AND AS  
 HEIRS AT LAW TO THE ESTATE OF  
 WENDY LYNN CABAN UNDER THE  
 TEXAS WRONGFUL DEATH ACT;

Plaintiffs

VS.

TRISHA LEE WELCH

Defendant

IN THE DISTRICT COURT

\_\_\_\_TH JUDICIAL DISTRICT

ECTOR COUNTY, TEXAS

**PLAINTIFFS' ORIGINAL PETITION, JURY DEMAND,  
 AND REQUEST FOR INITIAL DISCLOSURES TO DEFENDANT**

Plaintiffs Brad King, Debra Gerda, Adam Brent King, Individually, and as Heirs at Law to the Estate of Roger Lee King Under the Texas Wrongful Death Act, and Angela Luisa Caban, Anthony L. Caban, Individually and as Heirs at Law to the Estate of Wendy Lynn Caban Under the Texas Wrongful Death Act, file this Original Petition, Jury Demand, and Request for Initial Disclosures to Defendant Trisha Lee Welch, and in support for their causes of action would show as follows:

**I. CASE DISCOVERY CONTROL PLAN**

1.1 Pursuant to Rule 190 of the Texas Rules of Civil Procedure, Plaintiffs allege that this case should be conducted under Level 3 of the Discovery Control Plan. As such, absent an agreement by and between all parties, Plaintiffs request that a case management

conference be set at the Court's earliest convenience so that a discovery/docket control order be entered.

## II. PARTIES

2.1 Plaintiffs Brad King, Debra Gerdau, and Adam Brent King bring suit as heirs at law to the estate of their father, Roger Lee King, and as wrongful death beneficiaries.

2.2 Plaintiffs Angela Luisa Caban and Anthony L. Caban bring suit as heirs at law to the estate of their mother, Wendy Lynn Caban, and as wrongful death beneficiaries.

2.3 Defendant Trisha Lee Welch is a resident of Texas and can be served with process at her usual place of abode—1301 W. 13<sup>th</sup>, Apartment 7, Odessa, Texas 79763. *Citation is requested.*

## III. JURISDICTION AND VENUE

3.1 Venue is proper in Ector County, Texas under the general venue rule contained in Section 15.002(a)(2) of the Texas Civil Practice and Remedies Code because Ector County is the county of Defendant Welch's resident at the time the cause of action accrued.

3.2 The amount sought herein exceeds the minimum jurisdictional limits of this Court. Plaintiffs seek an amount in excess of \$1,000,000.00.

## IV. INCIDENT IN QUESTION

4.1 On or about February 3, 2019, at approximately 12:03 p.m. Defendant Welch attempted to block the northbound lane of traffic on the south frontage road of SH 176 due to a commercial motor vehicle traveling the wrong way.

4.2 Defendant Welch's blocking of the roadway caused a tractor-trailer traveling north on SH 349 to come to an abrupt stop, causing the vehicle occupied by Roger Lee King and Wendy Lynn Caban to collide into the rear of the tractor trailer.

4.3 As a result of the collision, Roger Lee King and Wendy Lynn Caban suffered severe physical pain, debilitating injuries, and conscious pain and suffering that ultimately led to their deaths.

**V. PLAINTIFFS' CLAIMS OF NEGLIGENCE, GROSS NEGLIGENCE, AND NEGLIGENCE PER SE AGAINST DEFENDANT TRISHA LEE WELCH**

5.1 Defendant Welch had a duty to exercise ordinary care and operate her vehicle reasonably and prudently. At the time and on the occasion in question, Defendant Welch committed acts and/or omissions that constitute negligence, gross negligence, and/or negligence per se, including, but not limited to, the following:

- a. blocking traffic;
- b. failing to exercise reasonable care;
- c. Other acts and omissions of negligence that may be discovered.

5.2 Each of the foregoing negligent acts and/or omissions, whether taken singularly or in any combination, was the proximate cause of injuries to Plaintiffs and their damages that are described hereinafter with more particularity.

**VI. PLAINTIFFS' DAMAGES**

**A. ESTATE OF ROGER LEE KING**

6.1 As a result of the injuries to and death of Roger Lee King, his estate sustained survival damages including conscious physical pain and mental anguish suffered by him prior to his death as well as reasonable funeral expenses.

**B. WRONGFUL DEATH DAMAGES**

6.2 As a result of Roger Lee King's death, Plaintiffs Brad King, Debra Gerdau, and Adam Brent King have suffered in the past and in the future, including mental anguish and loss of companionship and society, for which damages are sought in the past and future.

**C. ESTATE OF WENDY LYNN CABAN**

6.3 As a result of the injuries and death of Wendy Lynn Caban, her estate



sustained survival damages including conscious physical pain and mental anguish suffered by her prior to her death as well as reasonable funeral expenses.

#### **D. WRONGFUL DEATH DAMAGES**

6.4 As a result of Wendy Lynn Caban's death, Plaintiffs Angela Luisa Caban and Anthony L. Caban suffered in the past and in the future, including mental anguish and loss of companionship and society, for which damages are sought in the past and future.

#### **VII. EXEMPLARY DAMAGES**

7.1 Defendant's acts or omissions described above, when viewed from the standpoint of the Defendant at the time of the act or omission, involved an extreme degree of risk, considering the probability of harm to Plaintiffs, and to others.

7.2 Defendant had actual subjective awareness of the risk involved in the above-described acts or omissions, but nevertheless proceeded with conscious indifference to the rights, safety or welfare of the Plaintiffs and of others.

7.3 Therefore, for such negligence involving extreme risk and conscious indifference of Defendant, Plaintiffs seek exemplary damages in an amount to be determined appropriate by the jury at trial.

#### **VIII. PREJUDGMENT AND POST-JUDGMENT INTEREST**

8.1 Plaintiffs seek pre-judgment and post-judgment interest as allowed by law.

#### **IX. REQUEST FOR JURY TRIAL**

9.1 Pursuant to Rule 216 of the Texas Rules of Civil Procedure, Plaintiffs hereby request a trial by jury. Plaintiffs hereby tender the appropriate jury fee.

#### **X. REQUESTS FOR DISCLOSURE**

10.1 Pursuant to TEX. R. CIV. P. 194, Plaintiffs request that Defendant disclose, within 30 days of service of this request, the information and material described in Rule 194.2(a) through (l).

## **XI. NOTICE OF USE OF DOCUMENTS**

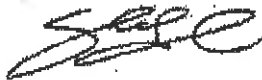
11.1 Pursuant to Rule 193.7 of the Texas Rules of Civil Procedure, Plaintiffs give notice that all documents produced by Defendant will be used at any pre-trial proceeding or at the trial of this case.

## **PRAYER**

Plaintiffs pray that Defendant be cited to appear and answer herein, that this cause be set for trial before a jury, and that Plaintiffs recover judgment of and from the Defendant for the actual damages in such amount as the evidence may show and the jury may determine to be proper, together with pre-judgment interest, post-judgment interest, costs of suit, and such other and further relief to which Plaintiffs may show themselves to be justly entitled.

Respectfully submitted,

**LILES WHITE PLLC**  
500 N. Water St., Suite 800  
Corpus Christi, TX 78401-0232  
Tel: 361.826.0100  
Fax: 361.826.0101



By:

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Stuart R. White  
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**ATTORNEYS FOR PLAINTIFFS**

CLERK OF THE COURT  
CLARISSA WEBSTER  
DISTRICT CLERK  
300 N. GRANT AVE., RM. 301  
ODESSA, TEXAS 79761

Attorney for Plaintiff  
STUART R. WHITE  
500 N. WATER ST., STE. 800  
CORPUS CHRISTI, TX 78401

## THE STATE OF TEXAS

**NOTICE TO DEFENDANT:** "You have been sued. You may employ an attorney. If you, or your attorney, do not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and petition, a default judgment may be taken against you."

**TO: TRISHA LEE WELCH, DEFENDANT**

**GREETINGS:** You are commanded to appear by filing a written answer to the PLAINTIFF'S ORIGINAL PETITION, JURY DEMAND, AND REQUEST FOR INITIAL DISCLOSURES TO DEFENDANT at or before 10:00 o'clock A.M. of the Monday next after the expiration of 20 days after the date of service hereof, before the 70th District Court of Texas, at the Courthouse in Odessa, Texas.

Said Plaintiff's Petition was filed on November 25, 2019 at 5:04 PM o'clock.

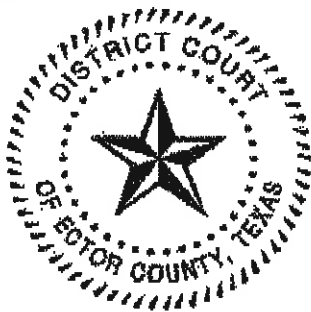
The file number of said suit being A-19-11-1519-CV.

The style of the case is:

**BRAD KING, DEBRA GERDAU, ADAM BRENT KING, ET AL. VS. TRISHA LEE WELCH**

A copy of the PLAINTIFF'S ORIGINAL PETITION, JURY DEMAND, AND REQUEST FOR INITIAL DISCLOSURES TO DEFENDANT accompanies this citation, issued on November 26, 2019.

GIVEN UNDER MY HAND AND SEAL OF SAID COURT, at office in Odessa, Texas, on this the 26th day of November, 2019.



CLARISSA WEBSTER, CLERK  
70TH DISTRICT COURT  
ECTOR COUNTY, TEXAS

Signed: 11/26/2019 12:36:02 PM

By: \_\_\_\_\_

*F. Heller*  
Fayette Heller, Deputy

**ADDRESS FOR SERVICE:****TRISHA LEE WELCH****1301 W. 13TH STREET, APT #7****ODESSA, TX 79763****OR****WHEREVER SHE MAY BE FOUND****OFFICER'S RETURN**

Came to hand on \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_ o'clock \_\_M. and executed in \_\_\_\_\_ County, Texas by delivering to the within named \_\_\_\_\_ in person, a copy of the CITATION, having first endorsed thereon the date of delivery, together with the accompanying true and correct copy of the **PLAINTIFF'S ORIGINAL PETITION, JURY DEMAND, AND REQUEST FOR INITIAL DISCLOSURES TO DEFENDANT**, on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_ o'clock \_\_M. at \_\_\_\_\_ (place of service).

NOT EXECUTED FOR THE FOLLOWING REASONS: \_\_\_\_\_

SERVICE FEES: \$ \_\_\_\_\_

SHERIFF OF \_\_\_\_\_ County, Texas

Deputy/Authorized Person

**COMPLETE IF YOU ARE A PERSON OTHER THAN A SHERIFF, CONSTABLE, OR CLERK OF THE COURT.**

In accordance with Rule 107: The officer or authorized person who serves, or attempts to serve, a citation shall sign the return. The return must either be verified or be signed under penalty of perjury. A return signed under penalty of perjury must contain the statement below in substantially the following form:

"My name is \_\_\_\_\_, my date of birth is \_\_\_\_\_, and  
(First, Middle, Last)

my address is \_\_\_\_\_  
(Street, City, State, Zip Code)

**I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT."**

Executed in \_\_\_\_\_ County, State of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Declarant/Authorized Process Server

(id # &amp; expiration of certification)



## **EXHIBIT B**



CENTRAL MUTUAL INSURANCE COMPANY  
800 S. WASHINGTON ST  
VAN WERT, OHIO 45891-2381  
www.central-insurance.com

## COMMERCIAL LINES POLICY COMMON DECLARATIONS

**NAMED INSURED AND MAILING ADDRESS**  
GEMINI PILOT SERVICES LLC  
PO BOX 12955  
ODESSA, TX 79768-2955

**AGENT VQ02 NEW**  
V R WILLIAMS & COMPANY  
PILOT CAR PROGRAM  
PO BOX 458  
WINCHESTER, TN 37398-0458  
(931)967-2268  
www.vrwilliams.com

**POLICY NUMBER:** CLP 9899281 10

**POLICY PERIOD:** FROM 03/12/2018 TO 03/12/2019  
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

**BUSINESS DESCRIPTION:** PILOT CAR SERVICE  
**FORM OF BUSINESS:** LIMITED LIABILITY COMPANY

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL OF THE TERMS OF THIS POLICY,  
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.  
THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS:

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

**PREMIUM**

THE ADVANCE PREMIUM DUE AT INCEPTION IS --  
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT

This is to certify that this is a true and  
exact copy of the wording of the policy  
as it existed on

Date of Loss 02-03-2019

Policy No. 9899281

Date Prepared 01-17-2020

By Dandra Rigdon

THESE COMMON DECLARATIONS AND THE COMMON POLICY CONDITIONS, TOGETHER WITH THE  
COVERAGE PART COVERAGE FORM(S), AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A  
PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

**COMMERCIAL LINES POLICY DECLARATIONS (continued)**

**NAMED INSURED**  
**GEMINI PILOT SERVICES LLC**

**POLICY NUMBER**  
**CLP 9899281 10**

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**FORMS AND ENDORSEMENTS APPLICABLE TO POLICY CLP 9899281 10 ON 03/12/2018**


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**COMMON DECLARATIONS**


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FORM NBR	EDITION	FORM TITLE
* IL0017	1198	COMMON POLICY CONDITIONS
* IL0171	0907	TEXAS CHANGES - LOSS PAYMENT
* IL0275	1113	TX CHGS-CANC & NONRENEWAL-PROV FOR CASUALTY LINES....
* IL0952	0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
* IL0986	0115	EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLO
* 14-3181	0315	CW POLICYHOLDER NOTICE-LOSS DUE TO VIRUS OR BACTERIA
* 20-1769	0891	PROVISIONS APPLICABLE TO CENTRAL MUTUAL & ALL AMERICA INS CO
* 20-1770	0891	TX-MUTUAL POL CONDITIONS APPLICABLE TO CENTRAL MUTUAL
* 20-1806	0615	TX-IMPORTANT NOTICE
* 20-1942	0194	NOTICE TO POLICYHOLDERS
* 20-2118	0315	POLICYHOLDER DISCLOSURE NOTICE (TERRORISM INS & VIRUS)
* 20-2143	1007	AVAILABLE PAY PLANS
* 20-2375	0315	NOTICE TO POLICYHOLDERS - NBCR EXCLUSION
* 22-1260	0117	LOSS CONTROL NOTICE FOR OUR LIABILITY POLICYHOLDERS

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**PROPERTY COVERAGE PART DECLARATIONS**


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FORM NBR	EDITION	FORM TITLE
* CP0010	1012	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
* CP0090	0788	COML PROP CONDITIONS
* CP0140	0706	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
* CP0142	0312	TEXAS CHANGES
* CP1010	1012	CAUSES OF LOSS - BASIC FORM
* 14-2012	1185	QUICK REF-COML PROPERTY COVERAGE PART
* 14-2016	0413	INFLATION GUARD

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**INLAND MARINE COVERAGE PART DECLARATIONS**


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FORM NBR	EDITION	FORM TITLE
* CL0100	0399	COMMON POLICY CONDITIONS
* CL0273	0101	TX-AMENDATORY ENDORSEMENT
* CM0001	0904	COMMERCIAL INLAND MARINE CONDITIONS
* CM0112	0913	TX CHANGES
* IM2089	0906	AMENDATORY ENDORSEMENT TEXAS
* IM7500	1009	SCHEDULED PROPERTY FLOATER
* 7-1235	1185	QUICK REF-COML IM COVERAGE PART

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**GENERAL LIABILITY COVERAGE PART DECLARATIONS**


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FORM NBR	EDITION	FORM TITLE
* CG0001	0413	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
* CG0103	0606	TX CHGS-CONDS REQUIRING NOTICE
* CG2106	0514	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFO
* CG2109	0615	EXCLUSION - UNMANNED AIRCRAFT
* CG2170	0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
* CG2184	0115	EXCLUSION OF CERTIFIED ACT OF NUCLEAR, BIOLOGICAL OR CHEMICAL..
* CG2186	1204	EXCLUSION - EXTERIOR INSULATION AND FINISH SYSTEMS
* CG2196	0305	SILICA OR SILICA-RELATED DUST EXCLUSION
* CG2425	1204	LIMITED FUNGI OR BACTERIA COVERAGE
* CG2426	0413	AMENDMENT OF INSURED CONTRACT DEFINITION



**COMMERCIAL LINES POLICY DECLARATIONS (continued)****NAMED INSURED**  
**GEMINI PILOT SERVICES LLC****POLICY NUMBER**  
**CLP 9899281 10**

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**FORMS AND ENDORSEMENTS APPLICABLE TO POLICY CLP 9899281 10 ON 03/12/2018**

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* CG2639	1207	TEXAS CHANGES-EMPLOYMENT-RELATED PRACTICES EXCLUSION
* IL0021	0908	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
* IL0168	0312	TEXAS CHANGES - DUTIES
* 8-1529	1001	QUICK REF-COML GL COV PART
* 8-1834	1204	AMENDMENT OF PRIMARY AND EXCESS PROVISIONS
* 8-2203	0509	LIMITED EXCLUSION-OPERATIONS COVERED BY A CONSOLIDATED(WRAP UP)
* 8-2364	0117	PROFESSIONAL LIABILITY INSURANCE
* 8-2477	0117	NOTICE TO POLICYHOLDERS PROFESSIONAL LIABILITY COVERAGE
* 20-1934	1107	EXCLUSION - ASBESTOS/LEAD

\* DENOTES FORMS ATTACHED WITH THIS TRANSACTION

**COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS****NAMED INSURED**  
GEMINI PILOT SERVICES LLC**POLICY NUMBER**  
CLP 9899281 10**COVERAGE PROVIDED**

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGE FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

**PREMISES 001 BUILDING 001** 7244 GOLDER AVE, ODESSA, TX 79764**OCCUPANCY**

PILOT CAR

**DEDUCTIBLE**

\$500 EACH OCCURRENCE

COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE OR LIMITATION	COVERED CAUSE OF LOSS
PERSONAL PROPERTY OF INSURED INCLUDING "STOCK"	\$1,000	RC	90%	BASIC FORM

**PER POLICY COVERAGES - ALL LOCATIONS**

COVERAGE	LIMIT
CERTIFIED ACTS OF TERRORISM UNDER THE TERRORISM RISK INSURANCE ACT	PREMIUM [REDACTED]

**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS**

**NAMED INSURED**  
**GEMINI PILOT SERVICES LLC**

**POLICY NUMBER**  
**CLP 9899281 10**

**COVERAGE PROVIDED**

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGE FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

**PER POLICY COVERAGES - ALL LOCATIONS**

<b>COVERAGE</b>	<b>LIMIT OF INSURANCE</b>	<b>VALUATION</b>	<b>DEDUCTIBLE</b>	<b>COINSURANCE OR LIMITATION</b>
SCHEDULED PROPERTY FLOATER	\$5,000	ACV	\$500	100%
CERTIFIED ACTS OF TERRORISM UNDER THE TERRORISM RISK INSURANCE ACT			PREMIUM [REDACTED]	

**INLAND MARINE SCHEDULES**

<b>SCHEDULED PROPERTY – SCHEDULED MAKE/MODEL</b>	<b>ID/SERIAL NUMBER</b>	<b>AMOUNT OF INSURANCE</b>
ITEMS RELATED TO PILOT CAR OPERATIONS NOT TO EXCEED \$1,000 PER ITEM	UNKNOWN	\$5,000
	<b>TOTAL:</b>	<b>\$5,000</b>

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

**NAMED INSURED**  
**GEMINI PILOT SERVICES LLC**

**POLICY NUMBER**  
**CLP 9899281 10**

**LIMITS OF INSURANCE**

EACH OCCURRENCE LIMIT	\$1,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$100,000	ANY ONE PREMISES
MEDICAL EXPENSE LIMIT	\$5,000	ANY ONE PREMISES
PERSONAL & ADVERTISING INJURY LIMIT	\$1,000,000	ANY ONE PERSON OR ORGANIZATION
GENERAL AGGREGATE LIMIT	\$2,000,000	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$2,000,000	

**PREMISES 001** 7244 GOLDER AVE, ODESSA, TX 79764

CLASSIFICATION DESCRIPTION	CLASS CODE	TERRITORY	PREMIUM BASIS	NET RATE	ADVANCED PREMIUM
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**PREMISES AND OPERATIONS**

PILOT CAR OPERATIONS	61224	020			
PRODUCTS-COMPLETED					
OPERATIONS ARE SUBJECT TO					
THE GENERAL AGGREGATE LIMIT.					

**PER POLICY COVERAGES - ALL LOCATIONS**

MISCELLANEOUS LIABILITY	LIABILITY LIMITS (IF APPLICABLE)	ADVANCED PREMIUM
PROFESSIONAL LIABILITY	SEE ENDORSEMENT	
\$1,000,000		
CERTIFIED ACTS OF TERRORISM		
UNDER THE TERRORISM RISK INSURANCE ACT		

## COMMERCIAL LINES POLICY DECLARATIONS (continued)

NAMED INSURED  
GEMINI PILOT SERVICES LLC

POLICY NUMBER  
CLP 9899281 10

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THE FOLLOWING INFORMATION IS REQUIRED TO COMPLETE FORM CG2425 1204

LIMITED FUNGI OR BACTERIA COVERAGE

FUNGI AND BACTERIA LIABILITY AGGREGATE LIMIT -

STATES OTHER THAN GEORGIA: \$25,000 AGGREGATE LIMIT

GEORGIA: \$ 50,000 AGGREGATE LIMIT

IF THERE ARE MULTIPLE STATES ON THE POLICY, THE AGGREGATE LIMIT FOR THIS POLICY IS EQUAL TO THE STATE WITH THE HIGHEST AGGREGATE LIMIT LISTED ABOVE.

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THE FOLLOWING INFORMATION IS REQUIRED TO COMPLETE FORM 8-2364 0117

PROFESSIONAL LIABILITY INSURANCE

PROFESSIONAL LIABILITY COVERAGE - AGGREGATE: \$1,000,000

PROFESSIONAL LIABILITY COVERAGE - EACH CLAIM \$1,000,000

BODILY INJURY & PROPERTY DAMAGE SUBLIMIT - AGGREGATE \$500,000

BODILY INJURY & PROPERTY DAMAGE SUBLIMIT - EACH CLAIM \$500,000

DEDUCTIBLE \$1,000

BUSINESS ACTIVITIES PILOT CAR

RETROACTIVE DATE 03/12/2018

  
PRESIDENT

  
SECRETARY

March 12, 2018  
DATE

IL0017 11 98

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. CANCELLATION

1. The first Named Insured shown in the Declarations or Change Endorsement may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations or Change Endorsement is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. INSPECTIONS AND SURVEYS

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. PREMIUMS

The first Named Insured shown in the Declarations or Change Endorsement:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****TEXAS CHANGES – LOSS PAYMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART

**A. Loss Payment**

1. With respect to the Crime And Fidelity Coverage Part and Equipment Breakdown Coverage Part, the following conditions are added.
2. With respect to the Commercial Inland Marine Coverage Part, the following conditions replace Item E. **Loss Payment** in the Commercial Inland Marine Loss Conditions.

**a. Claims Handling**

- 1) Within 15 days after we receive written notice of claim, we will:
  - a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
  - b) Begin any investigation of the claim; and
  - c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.
- 2) We will notify you in writing as to whether:
  - a) The claim or part of the claim will be paid;
  - b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
  - c) More information is necessary; or
  - d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in 2)a) through 2)d) above, within:

- i) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- ii) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

- b. We will pay for covered loss or damage within 5 business days after:
  - 1) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
  - 2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this policy, we will make payment within 5 business days after the date you have complied with such terms.

**c. Catastrophe Claims**

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in a. and b. above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which is:

- 1) Declared a disaster under the Texas Disaster Act of 1975; or
- 2) Determined to be a catastrophe by the State Board of Insurance.

- d. The term "business day," as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

**B. With respect to the Commercial Inland Marine Coverage Part the following is added:**

We will not be liable for any part of a "loss" that has been paid or made good by others.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES – CANCELLATION AND NONRENEWAL PROVISIONS FOR  
CASUALTY LINES AND COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY  
FARM COVERAGE PART – FARM LIABILITY COVERAGE FORM  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This endorsement also modifies insurance provided under the following when written as part of a Commercial Package Policy:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:**

**2. We may cancel this policy:**

**a.** By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.

However, if this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the first Named Insured 30 days before the effective date of cancellation. We will also provide 30 days' written notice to each unit-owner to whom we issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to us.

**b.** For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two- family dwellings:

**(1)** If this policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.

**(2)** If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:

**(a)** Fraud in obtaining coverage;

**(b)** Failure to pay premiums when due;



- (c) An increase in hazard within the control of the insured which would produce an increase in rate;
  - (d) Loss of our reinsurance covering all or part of the risk covered by the policy; or
  - (e) If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
- c. For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:
- (1) If this policy has been in effect for less than 90 days, we may cancel coverage for any reason.
  - (2) If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel coverage, only for the following reasons:
    - (a) If the first Named Insured does not pay the premium or any portion of the premium when due;
    - (b) If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
    - (c) If the Named Insured submits a fraudulent claim; or
    - (d) If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.

B. The following condition is added and supersedes any provision to the contrary:

**Nonrenewal**

1. We may elect not to renew this policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
2. This paragraph, 2., applies unless the policy qualifies under Paragraph 3. below.  
 If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.
3. If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then we will mail or deliver written notice of nonrenewal, at least 30 days before the expiration or anniversary date of the policy, to:
  - a. The first Named Insured; and
  - b. Each unit-owner to whom we issued a certificate or memorandum of insurance.
 We will mail or deliver such notice to each last mailing address known to us.
4. If notice is mailed, proof of mailing will be sufficient proof of notice.
5. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

**A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

IL0986 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR  
RADIOLOGICAL TERRORISM; CAP ON COVERED  
CERTIFIED ACTS LOSSES**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

**SCHEDULE \***

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
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**\* (Information required to complete this endorsement, if not shown above, will be shown in the Declarations or Change Endorsement.)**

**A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**B.** The following exclusion is added:

**LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or

3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

**C. Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement, Declarations or Change Endorsement.

If a "certified act of terrorism" excluded under Paragraph **B.** results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

**D. Cap On Certified Terrorism Losses**

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage that is covered and to which the exception in Paragraph **C.** applies:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This Paragraph, **D.**, does not apply to insurance provided under the Crime And Fidelity Coverage Part.

**E. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the War And Military Action Exclusion.

14-3181 03 15

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## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following endorsement, which applies to your new or renewal policy being issued by us:

### **Exclusion Of Loss Due To Virus Or Bacteria Endorsement**

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

Contact your agent if you have any questions regarding the content of this notice.

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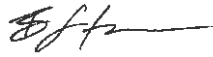
20-1769 08/91

**PROVISIONS APPLICABLE TO CENTRAL MUTUAL AND  
ALL AMERICA INSURANCE COMPANIES**

**IN WITNESS WHEREOF**, we have executed and attested this policy. If required by state law, this policy is not valid unless it is countersigned by our authorized representative.



President



Secretary

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20-1770 08/91**PROVISIONS APPLICABLE TO CENTRAL MUTUAL INSURANCE COMPANY**

**MUTUALS – MEMBERSHIP AND VOTING NOTICE:** The named insured is notified that by virtue of this policy the named insured is a member of the Central Mutual Insurance Company of Van Wert, Ohio and is entitled, as is lawfully provided in the charter, constitution, and by-laws, to one vote either in person or by proxy in any or all meetings of said Company. The Annual Meetings are held in its Home Office, Van Wert, Ohio, on the second Wednesday of May, in each year, at two o'clock P.M.

**MUTUALS – PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY:** No Contingent Liability: This policy is nonassessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

20-1806 06/15

**TEXAS IMPORTANT NOTICE**

To obtain information or make a complaint:

You may call (company)'s toll-free telephone number for information or to make a complaint at:

**1-800-733-2233**

You may also write to (company) at:

Central Mutual Insurance Company  
All America Insurance Company  
7301 North State Highway 161, Suite 320  
Irving, TX 75039

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

**1-800-252-3439**

You may write the Texas Department of Insurance:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 490-1007  
Web: [www.tdi.texas.gov](http://www.tdi.texas.gov)  
E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**PREMIUM OR CLAIM DISPUTES:** Should you have a dispute concerning your premium or about a claim, you should contact the (agent) (company) (agent or the company) first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:** This notice is for information only and does not become a part or condition of the attached document.

**TEXAS AVISO IMPORTANTE**

Para obtener información o para presentar una queja:

Usted puede llamar al número de teléfono gratuito de (company)'s para obtener información o para presentar una queja al:

**1-800-733-2233**

Usted también puede escribir a (company):

Central Mutual Insurance Company  
All America Insurance Company  
7301 North State Highway 161, Suite 320  
Irving, TX 75039

Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:

**1-800-252-3439**

Usted puede escribir al Departamento de Seguros de Texas a:

P.O. Box 149104  
Austin, TX 78714-9104  
Fax: (512) 490-1007  
Sitio Web: [www.tdi.texas.gov](http://www.tdi.texas.gov)  
E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:** Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con (el agente) (la compañía) (el agente o la compañía) primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

**ADJUNTE ESTE AVISO A SU PÓLIZA:** Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.

20-1806 06/15





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## **NOTICE TO POLICYHOLDERS**

Your policy has an exclusion for injury caused by asbestos and lead. The endorsement is a clarification of this excluded injury or damage and you should read it for the understanding of the coverage provided by this contract.

20-1942 01 94

20-2118 03 15



## NOTICE TO POLICYHOLDERS

### DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

This notification is attached to and made part of your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act. This notification does not grant any coverage or change the terms and conditions of any coverage under the policy.

#### **A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the policy Declarations.

#### **B. Disclosure of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

Federal share of terrorism losses:

85% for calendar year 2015  
84% for calendar year 2016  
83% for calendar year 2017  
82% for calendar year 2018  
81% for calendar year 2019  
80% for calendar year 2020

However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### **C. Cap on Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

#### **D. Definition of Terrorism**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of "act of terrorism" has changed. As defined in Section 102(1) of the Act, the term "act of terrorism" means:

- Any act or acts that are certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – to be an act of terrorism;
- To be a violent act or an act that is dangerous to human life, property, or infrastructure;

- To have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission;
- And to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events.

20-2143 10/07

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## AVAILABLE PAY PLANS

The company offers.

**1. EFT Plans (Electronic Funds Transfer): \*\* No service fees apply to any of the EFT plans. \*\***

- a. Annual EFT – the premium is paid in one installment withdrawn on the effective date of the policy.
- b. Semi-Annual EFT – the premium is paid in two installments, withdrawn six months apart.
- c. Quarterly EFT – the premium is paid in four installments, withdrawn three months apart.
- d. Monthly EFT – the premium is paid in twelve monthly withdrawals.

**2. NON-EFT Plans:**

- a. Annual – the premium is paid in one installment due on the effective date of the policy. No service fees apply.
- b. Semi-Annual – the premium is paid in two installments due six months apart. Service fees apply.
- c. Quarterly – the premium is paid in four installments due three months apart. Service fees apply.
- d. Monthly – the premium is paid in twelve monthly installments. Service fees apply.

We offer account billing on each of the above plans which allows for multiple policies to be billed together on a single account. We require separate billing accounts for personal and commercial lines policies.

20-2143 10/07

20-2375 03 15

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## **NOTICE TO POLICYHOLDERS REGARDING NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL EXCLUSION**

Coverage for some acts of terrorism is included in your policy, as defined in Section 102(1) of the Terrorism Risk Insurance Acts. An act of terrorism could involve Nuclear (including radiation or radioactive contamination) or pathogenic or poisonous Biological or Chemical materials. An example of this would be the release of anthrax spores.

Your previous policy included a Nuclear exclusion (a mandatory form attached to all policies) and Pollution exclusions (mandatory coverage language) to exclude terrorism loss that was caused by nuclear, chemical or radiological means. There may have been a question of whether a biological event would be considered a pollutant and therefore excluded by the pollution exclusion.

Due to our reinsurance contracts containing an NBCR (Nuclear, Biological, Chemical, or Radiological) exclusion, your renewal policy now contains an NBCR exclusion, which makes it clear we will not cover any acts involving nuclear, biological, chemical or radiological terrorism.

Although we have chosen to exclude NBCR, we are still providing you with terrorism coverage for other acts.

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22-1260 01 17



## **AN IMPORTANT LOSS CONTROL MESSAGE FOR OUR LIABILITY POLICYHOLDERS**

The Central Insurance Companies have a broad range of Loss Control consulting services available to assist you with your safety program and activities. These services, commensurate with the hazards, exposures, experience, and size of your business, require your cooperation and participation to make them most effective. Loss prevention preserves your most valuable assets . . . your customers, your employees and your property.

Central's Loss Control Department provides these consulting services based on your needs and requirements. The services available to you upon request at no charge are:

1. Loss Control surveys of your premises and operations.
2. Recommendations and suggestions based on the survey.
3. Assistance with your safety training programs.
4. Audio-visual training aids including videos, DVD, presentations, and webinars.
5. Informational resources including bulletins, risk management tools, posters and articles.
6. Consultation on technical safety problems you may have.
7. Analysis of accident causes and suggested corrective measures you can implement.
8. Consultation on your implementation of a Loss Control program designed for your needs.

Central's staff of Loss Control Consultants is prepared to consult with you on the effectiveness of your safety program and to assist you in implementing such a program. Simply contact your Central agent or call one of our regional offices and ask for the Loss Control department.

### **Regional Offices**

Van Wert, OH (ID, IL, IN, KY, MI, OH, UT)	1-800-736-7000
Waltham, MA (CT, MA, NH, NY, PA)	1-800-359-2233
Alpharetta, GA (GA, MD, NC, SC, TN, VA)	1-800-877-2233
Irving, TX (AZ, CO, NM, NV, OK, TX)	1-800-733-2233

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## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

**c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or



(d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

#### (5) Examples

The following examples assume that there is no Coinsurance penalty.

**Example 1**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

**Example 2**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results

from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
  - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
  - (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced at the same or another premises; and
    - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional

Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
  - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
  - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

**(2) Your Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or



- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

### **(3) Period Of Coverage**

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

### **b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

### **c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

### **d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or

any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

## **B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

## **C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

## **D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

### **Example 1**

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100  
 – 250

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

### **Example 2**

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### **E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### **1. Abandonment**

There can be no abandonment of any property to us.

##### **2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### **3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

##### **4. Loss Payment**

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;



- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
    - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
    - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
  - (a) Vandalism;

- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## **7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (3) Nothing if others pay for repairs or replacement.

## **F. Additional Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### **1. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the

remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000  
 The Coinsurance percentage for it is: 80%  
 The Limit of Insurance for it is: \$ 100,000  
 The Deductible is: \$ 250  
 The amount of loss is: \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000  
 The Coinsurance percentage for it is: 80%  
 The Limit of Insurance for it is: \$ 200,000  
 The Deductible is: \$ 250  
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When: The value of the property is:  
 Building at Location 1: \$ 75,000  
 Building at Location 2: \$ 100,000  
 Personal Property at Location 2: \$ 75,000  
 \$ 250,000  
 The Coinsurance percentage for it is: 90%  
 The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000  
 The Deductible is: \$ 1,000  
 The amount of loss is:  
 Building at Location 2: \$ 30,000  
 Personal Property at Location 2: \$ 20,000  
 \$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4): \$40,000 – \$1,000 = \$39,000

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## **2. Mortgageholders**

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## **G. Optional Coverages**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### **1. Agreed Value**

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### **2. Inflation Guard**

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

**Example**

If: The applicable Limit of Insurance is: \$ 100,000

The annual percentage increase is: 8%

The number of days since the beginning of the policy year (or last policy change) is: 146

The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

**3. Replacement Cost**

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

d. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace the lost or damaged property with other property:
  - (a) Of comparable material and quality; and
  - (b) Used for the same purpose; or
- (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

**4. Extension Of Replacement Cost To Personal Property Of Others**

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the

Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

**b.** With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



CP0090 07 88

## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - 1) Owned or controlled by you; or
    - 2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.



CP0140 07 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.  
  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus," wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants."
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus," Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage - Limited Coverage for "Fungus," Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CP0142 03 12

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A.** When this endorsement is attached to the Standard Property Policy **CP0099**, the term Coverage Part is replaced by the term Policy.
- B. The Legal Action Against Us**
- 1.** The **Legal Action Against Us** Commercial Property Condition is replaced by the following, except as provided in **B.2.** below:  
**Legal Action Against Us**
    - a.** Except as provided in Paragraph **b.**, no one may bring a legal action against us under this Coverage Part unless:
      - 1)** There has been full compliance with all of the terms of this Coverage Part; and
      - 2)** The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
    - b.** With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against us under this Coverage Part unless;
      - 1)** There has been full compliance with all the terms of this Coverage Part; and
      - 2)** The action is brought within the earlier of the following:
        - a)** Two years and one day from the date we accept or reject the claim; or
        - b)** Three years and one day from the date of the loss or damage that is the subject of the claim.
  - 2.** Paragraph **B.1.** above does not apply to the Legal Action Against Us Loss Condition in the Legal Liability Coverage Form **CP0040**.
- C. Appraisal**
- 1.** Except as provided in **C.2.** below, the Appraisal Loss Condition in the:  
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM;  
 BUILDERS RISK COVERAGE FORM;  
 CONDOMINIUM ASSOCIATION COVERAGE FORM;  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM;  
 EXTRA EXPENSE COVERAGE FORM;  
 LEASEHOLD INTEREST COVERAGE FORM;  
 TOBACCO SALES WAREHOUSES COVERAGE FORM; and  
 STANDARD PROPERTY POLICY  
 is replaced by the following:  
**Appraisal**  
 If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:
    - a.** Pay its chosen appraiser; and
    - b.** Bear the other expenses of the appraisal and umpire equally.
 If there is an appraisal:
    - a.** You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
    - b.** We will still retain our right to deny the claim.
  - 2.** The **Appraisal** Condition in the:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM; and  
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
 is replaced by the following:

**Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense and the amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal:

- a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b. We will still retain our right to deny the claim.

**D. Under the Duties In The Event Of Loss Or Damage Loss Condition:**

- a. Paragraph a.2) is replaced by the following:
  - 2) Give us prompt notice of the loss or damage. Include a description of the property involved. However, with respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim.
- b. The provision requiring signed, sworn proof of loss, is replaced by the following:  
 Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

**E. Under the Loss Payment Condition, the provisions pertaining to notice of our intentions and the time period for payment of claims are deleted and replaced by the following:**

**1. Claims Handling**

- a. Within 15 days after we receive written notice of claim, we will:
  - 1) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
  - 2) Begin any investigation of the claim; and
  - 3) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.
- b. We will notify you in writing as to whether:
  - 1) The claim or part of the claim will be paid;
  - 2) The claim or part of the claim has been denied, and inform you of the reasons for denial;
  - 3) More information is necessary; or
  - 4) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in b.1) through b.4) above, within:

- 1) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- 2) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

**2. We will pay for covered loss or damage within five business days after:**

- a. We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this Coverage Part, we will make payment within five business days after the date you have complied with such terms.

The following paragraphs are added:

**3. Catastrophe Claims**

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in E.1. and E.2. above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- 1) Is declared a disaster under the Texas Disaster Act of 1975; or
- 2) Is determined to be a catastrophe by the State Board of Insurance.

**4. The term "business day," as used in the Loss Payment Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.**

**F. The following is added to the Valuation Loss Condition:**

**Chapter 862 - Subsection 862.053. Policy A Liquidated Demand.** A fire insurance policy, in case of total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for the full amount of such policy. This subsection does not apply to personal property.

**G. Paragraphs d. and f. of the Mortgageholders Additional Condition are replaced by the following:**

**d.** If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- 1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- 2) Submits a signed, sworn proof of loss within 91 days after receiving notice from us of your failure to do so; and
- 3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

**f.** If this policy is cancelled, we will give the mortgageholder named in the Declarations or Change Endorsement written notice of cancellation.

If we cancel this policy, we will give written notice to the mortgageholder at least:

- 1) 14 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- 2) 30 days before the effective date of cancellation if we cancel for any other reason.

If you cancel the policy, we will give the mortgageholder notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

**H. The following is added to Paragraph D.1. in the Duties In The Event Of Accident, Claim Or Suit Loss Condition in the Legal Liability Coverage Form:**

We will notify the first Named Insured in writing of:

1. An initial offer to settle a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

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**CAUSES OF LOSS – BASIC FORM**

Words and phrases that appear in quotation marks have special meaning. Refer to Section E. Definitions.

**A. Covered Causes Of Loss**

When Basic is shown in the Declarations, Covered Causes of Loss means the following:

1. Fire.
2. Lightning.
3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
  - a. Rupture, bursting or operation of pressure-relief devices; or
  - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
4. Windstorm or Hail, but not including:
  - a. Frost or cold weather;
  - b. Ice (other than hail), snow or sleet, whether driven by wind or not;
  - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters; or
  - d. Loss or damage by hail to lawns, trees, shrubs or plants which are part of a vegetated roof.
5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
6. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

7. Riot or Civil Commotion, including:
  - a. Acts of striking employees while occupying the described premises; and
  - b. Looting occurring at the time and place of a riot or civil commotion.
8. Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
  - (1) Results in sprinkler leakage; or
  - (2) Is directly caused by freezing.
- b. Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

Automatic Sprinkler System means:

- (1) Any automatic fire-protective or extinguishing system, including connected:
  - (a) Sprinklers and discharge nozzles;

- (b) Ducts, pipes, valves and fittings;
- (c) Tanks, their component parts and supports; and
- (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire-protective system:
  - (a) Non-automatic fire-protective systems; and
  - (b) Hydrants, standpipes and outlets.
- 10. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into man-made underground cavities.
- 11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
  - a. Airborne volcanic blast or airborne shock waves;
  - b. Ash, dust or particulate matter; or
  - c. Lava flow.

With respect to coverage for Volcanic Action as set forth in 11.a., 11.b. and 11.c., all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

## **B. Exclusions**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  - a. **Ordinance Or Law**

The enforcement of or compliance with any ordinance or law:

    - (1) Regulating the construction, use or repair of any property; or
    - (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

    - (a) An ordinance or law that is enforced even if the property has not been damaged; or
    - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.
  - b. **Earth Movement**
    - (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
    - (2) Landslide, including any earth sinking, rising or shifting related to such event;
    - (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
    - (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

    - (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire or Volcanic Action, we will pay for the loss or damage caused by that fire or Volcanic Action.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.
  - c. **Governmental Action**



Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

**2. We will not pay for loss or damage caused by or resulting from:**

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:**

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.**
- c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss. But we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.**
- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.**  
But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.
- e. Mechanical breakdown, including rupture or bursting caused by centrifugal force.**  
But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- f. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.**

**3. Special Exclusions**

The following provisions apply only to the specified Coverage Forms:

- a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".
 This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or



(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

(1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

**c. Legal Liability Coverage Form**

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph B.1.a. Ordinance Or Law;

(b) Paragraph B.1.c. Governmental Action;

(c) Paragraph B.1.d. Nuclear Hazard;

(d) Paragraph B.1.e. Utility Services; and

(e) Paragraph B.1.f. War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in C.2. and C.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

a. A Covered Cause of Loss other than fire or lightning; or

b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;

b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and

c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under C.2. of this Limited Coverage is limited to \$15,000. Regardless of the

number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **b.** of Covered Causes Of Loss 9. Sprinkler Leakage.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

#### **D. Limitation**

We will pay for loss of animals only if they are killed or their destruction is made necessary.

#### **E. Definitions**

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

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**QUICK REFERENCE  
COMMERCIAL PROPERTY COVERAGE PART****READ YOUR POLICY CAREFULLY**

The Commercial Property Coverage Part in your policy consists of Declarations, one or more Coverage Forms, Commercial Property Conditions, Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up this Coverage Part.

**DECLARATIONS**

Named Insured and Mailing Address  
Policy Period  
Description of Business  
Coverage Provided and Limits of Insurance  
Optional Coverages  
Forms and Endorsements applying to the Coverage  
Part at time of issue

**COVERAGE FORM(S)****COVERAGE**

Covered Property (If Applicable)  
Property Not Covered (If Applicable)  
Covered Causes of Loss (If Applicable)  
Additional Coverage (If Applicable)  
Coverage Extensions (If Applicable)

**EXCLUSIONS****LIMITS OF INSURANCE****DEDUCTIBLE (If Applicable)****LOSS CONDITIONS (If Applicable)****ADDITIONAL CONDITIONS (If Applicable)****OPTIONAL COVERAGES (If Applicable)****DEFINITIONS (If Applicable)****CAUSES OF LOSS FORM (If Applicable)**

Covered Causes of Loss  
Exclusions  
Limitations (If Applicable)  
Additional Coverage (If Applicable)

**COMMERCIAL PROPERTY CONDITIONS (CP0090)**

Concealment, Misrepresentation and Fraud  
Control of Property  
Insurance Under Two or More Coverages  
Legal Action Against Us  
Liberalization  
No Benefit to Bailee  
Other Insurance  
Policy Period, Coverage Territory  
Transfer of Rights of Recovery Against Others to Us

**COMMON POLICY CONDITIONS (IL0017) - See Common  
Declarations**

Cancellation  
Changes  
Examination of Your Books and Records  
Inspections and Surveys  
Premiums  
Transfer of Your Rights and Duties Under This Policy

**ENDORSEMENTS (If Any)**

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **INFLATION GUARD**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUILDERS' RISK COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
BUSINESS INCOME COVERAGE FORM

- A.** The coinsurance clause is deleted.
- B.** The Limits of Insurance (exclusive of this endorsement) applicable to the items of this policy as shown below are increased during the policy period by the proportion by which the latest published Index has increased since the last premium due date.
- Buildings  
Your Business Personal Property  
Personal Property of Others  
Business Income  
Extra Expense
- C.** At the premium due date, the Limits of Insurance will be increased automatically in accordance with the latest published Index and the appropriate premium charged.
- D.** If the Limits of Insurance are changed at your request during the policy period, the effective date of this endorsement coincides with the effective date of such change.
- E.** In this endorsement
- a)** "Index" means:
- 1)** For Buildings, the Commercial Building Cost Percent Change Factors published by Marshall & Swift/Boeckh, relating to commercial construction.
- 2)** For Your Business Personal Property, Personal Property of Others, Business Income and Extra Expenses, the "Producer Price Index" for all finished goods published by the United States Department of Labor.
- b)** "Premium due date" means the inception date of this policy or any renewal or anniversary date whichever is later.
- F.** In no event will the Limits of Insurance be reduced by use of this endorsement to less than those shown at the premium due date.

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**COMMON POLICY CONDITIONS**

1. **Assignment** – This policy may not be assigned without “our” written consent.
2. **Cancellation** – “You” may cancel this policy by returning the policy to “us” or by giving “us” written notice and stating at what future date coverage is to stop.

“We” may cancel this policy, or one or more of its parts, by written notice sent to “you” at “your” last mailing address known to “us.” If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If “we” cancel this policy for nonpayment of premium, “we” will give “you” notice at least ten days before the cancellation is effective. If “we” cancel this policy for any other reason, “we” will give “you” notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

“Your” return premium, if any, will be calculated according to “our” rules. It will be refunded to “you” with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.
3. **Change, Modification, or Waiver of Policy Terms** – A waiver or change of the “terms” of this policy must be issued by “us” in writing to be valid.
4. **Inspections** – “We” have the right, but are not obligated, to inspect “your” property and operations at any time. This inspection may be made by “us” or may be made on “our” behalf. An inspection or its resulting advice or report does not warrant that “your” property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for “our” benefit only.
5. **Examination of Books and Records** – “We” may examine and audit “your” books and records that relate to this policy during the policy period and within three years after the policy has expired.

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This endorsement changes the policy  
– PLEASE READ THIS CAREFULLY –

### AMENDATORY ENDORSEMENT TEXAS

Under the Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation and Nonrenewal** – “You” may cancel this policy by returning the policy to “us” or by giving “us” written notice and stating the date coverage is to stop.

“We” may cancel or not renew this policy by written notice mailed or delivered to “you” at the address shown in the policy. If notice of cancellation or nonrenewal is mailed, proof of mailing will be sufficient proof of notice. The notice will state the reason for cancellation or nonrenewal.

If “we” cancel this policy, “we” will give “you” notice at least ten days before the cancellation is effective. The notice will state the time that the cancellation is to take effect.

If this policy has been in effect for 60 days or less, “we” may cancel for any reason, except that under the provisions of the Texas Insurance Code, “we” may not cancel this policy solely because “you” are an elected official.

If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by “us,” “we” may cancel only for one or more of the following reasons:

- a. “you” do not pay the premium when due;
- b. “you” committed fraud in obtaining the coverage;
- c. there is an increase in hazard covered by this policy that is within “your” control which would produce an increase in the premium or rate;
- d. there is a loss of “our” reinsurance covering all or part of the risk covered by this policy; or
- e. “we” are placed in supervision, conservatorship, or receivership and the cancellation or nonrenewal is approved or directed by the supervisor, conservator, or receiver.

“Your” return premium, if any, will be calculated on a pro rata basis. It will be refunded to “you” with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

If “we” decide to not renew this policy, “we” will give “you” notice at least 60 days before the expiration date. If the notice is delivered or mailed later than 60 days before the expiration date, the coverage will remain in effect until the 61st day after the date on which the notice is delivered or mailed. Earned premium for any period of coverage that extends beyond the expiration date of this policy will be computed pro rata based on the rate charged for the expired policy.

The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

“We” may not cancel or refuse to renew this policy solely because “you” are an elected official.

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## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment



1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

**F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**G. Pair, Sets Or Parts**

**1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

**2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

**J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:



- 1) Owned or controlled by you; or
- 2) That owns or controls you.

This will not restrict your insurance.

## **GENERAL CONDITIONS**

### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### **B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### **C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

### **D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### **E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations or Change Endorsement; and
2. Within the coverage territory.

### **F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL INLAND MARINE COVERAGE PART**

**A. Loss Condition B. Appraisal** in the Commercial Inland Marine Conditions is replaced by the following:

**B. Appraisal**

1. If we and you disagree on the value of the property or the amount of loss, either may make written demand, within 60 days after our receipt of a signed, sworn proof of loss, for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree for 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
  - a. Pay its chosen appraiser; and
  - b. Bear the other expenses of the appraisal and umpire equally.
2. If there is an appraisal:
  - a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Inland Marine Condition; and
  - b. We will still retain our right to deny the claim.

**B. Paragraph 8. of Loss Condition C. Duties In The Event Of Loss** in the Commercial Inland Marine Conditions is replaced by the following:

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

**C. Paragraph 2. of General Condition C. Legal Action Against Us** in the Commercial Inland Marine Conditions is replaced by the following:

2. The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.

**D. Paragraphs A.5.a. and A.5.b. of the Coverage Extensions and Section F. Definitions** in the Equipment Dealers Coverage Form are deleted.

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This endorsement changes the policy  
– PLEASE READ THIS CAREFULLY –

### AMENDATORY ENDORSEMENT TEXAS

This mandatory endorsement must be attached to all Texas policies.

1. "Business day," when used in this endorsement, means a day other than Saturday, Sunday, or a holiday recognized by the state of Texas.

2. Under Definitions, if applicable, the definition of "pollutants" is deleted and replaced by the following:

"Pollutant" means:

- a. any solid, liquid, gaseous, or thermal irritant or contaminant;
- b. electromagnetic (visible or invisible) or sound emission; or
- c. waste, including materials to be disposed of as well as recycled, reclaimed, or reconditioned.

3. Under What Must Be Done In Case Of Loss, Notice is deleted and replaced by the following:

**Notice** – "You" must promptly notify "us" or "our" agent in the event of a loss. The notice must be in writing. "You" must promptly notify the police if the loss may have been the result of a violation of the law.

4. Under What Must Be Done In Case Of Loss, You Must Protect Property, Payment Of Reasonable Costs is deleted and replaced by the following:

**Payment Of Reasonable Costs** – "We" will pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against. "You" must keep an accurate record of such costs.

5. Under What Must Be Done In Case Of Loss, Proof Of Loss is deleted and replaced by the following:

**Proof Of Loss** – Upon request, "you" must send "us" a signed, sworn proof of loss within 91 days of the request on a form supplied by "us."

"We" must request a signed, sworn proof of loss within 15 days after receipt of "your" written notice or "we" waive "our" right to require a proof of loss. Such waiver will not waive "our" other rights under this policy.

- a. This proof of loss will state, to "your" best knowledge and belief:

- 1) the time and cause of loss;
- 2) "your" interest and all other's interest in the property involved including all liens on the property;
- 3) other insurance which may cover the loss;
- 4) the actual cash value of each item of property and the amount of loss to each item; and
- 5) if applicable, the name of the occupant and the occupancy of the building at the time of the loss.

- b. If this policy provides replacement cost coverage and "you" elect to make a claim under the "terms" of the replacement cost provision, this proof of loss will also state, to "your" best knowledge and belief:

- 1) the replacement cost of the described property; and
- 2) the full cost of repair or replacement of loss without deduction for depreciation.

6. Under What Must Be Done In Case Of Loss, Examination is deleted and replaced by the following:

**Examination** – As often as "we" may reasonably require, "you" must submit to examination under oath and sign and swear to it.

7. Under What Must Be Done In Case Of Loss, Records is deleted and replaced by the following:

**Records** – As often as "we" may reasonably require, "you" must provide "us" with pertinent records and documents requested and permit copies to be made from them.

8. Under What Must Be Done In Case Of Loss, Damaged Property is deleted and replaced by the following:

**Damaged Property** – As often as “we” may reasonably require, “you” must permit “us” to have access to the damaged property before it is disposed of or repaired.

9. Under Loss Payment, the following provision is added:

**Acceptance Or Rejection Of Claim –**

- a. Within 15 days after “we” receive written notice of claim, “we” must:
  - 1) acknowledge receipt of the claim; if the acknowledgment of the claim is not in writing, “we” will keep a record of the date, method, and content of the acknowledgment;
  - 2) begin any investigation of the claim; and
  - 3) specify the information “you” must provide in accordance with the “terms” of the Proof Of Loss condition.
- b. “We” may request more information, if during the investigation of the claim such additional information is necessary.
- c. After “we” receive the information requested, “we” must notify “you” in writing whether the claim will be paid or has been denied or whether more information is necessary:
  - 1) within 15 business days; or
  - 2) within 30 days if “we” have reason to believe the loss resulted from arson.
- d. If “we” do not approve payment of the claim or require more time for processing the claim, “we” must:
  - 1) give the reasons for denying the claim; or
  - 2) give the reasons “we” require more time to process the claim. But, “we” must either approve or deny the claim within 45 days after requesting more time.

10. Under Loss Payment, Your Losses, Conditions For Payment Of Loss is deleted and replaced by the following:

**Conditions For Payment Of Loss** – If “we” notify “you” that payment of the claim or part of the claim will be made, “we” must make payment within five “business days” after “our” notification to “you.”

If payment of the claim or part of the claim requires the performance of an act by “you,” “we” must make payment within five “business days” after the date “you” perform the act.

11. Under Other Conditions, the following condition is added:

**Catastrophe Claims** – If a claim results from a weather related catastrophe or a major natural disaster, each claim handling deadline shown under What Must Be Done In Case Of Loss and Loss Payment is extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- a. is declared a disaster under the Texas Disaster Act of 1975; or
- b. is determined to be a catastrophe by the Texas Department of Insurance.

12. In all coverage forms except Cold Storage Locker Coverage, Motor Truck Cargo Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, paragraph b. of Suit Against Us is deleted and replaced by the following:

- b. the suit has been brought within two years and one day after “you” first have knowledge of the loss.

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## SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

### PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** - "We" cover direct physical loss caused by a covered peril to:
  - a. "your" property; and
  - b. property of others in "your" care, custody, and control.
2. **Coverage Limitation** - "We" only cover "your" property and property of others that are described on the "schedule of coverages".

### PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** - "We" do not cover aircraft or watercraft.
2. **Buildings And Land** - "We" do not cover buildings or land including land on which covered property is located.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

### COVERAGE EXTENSIONS

**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

#### **Debris Removal -**

1. **Coverage** - "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** - This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** - "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
4. **Additional Limit** - "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** - "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

#### **SUPPLEMENTAL COVERAGES**

**Provisions That Apply To Supplemental Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

**1. Newly Acquired Property -**

- a. **Coverage** - "We" cover direct physical loss caused by a covered peril to additional property that:

- 1) is similar to the property described on the "schedule of coverages"; and
- 2) "you" acquire during the policy period.

- b. **Limit** - The most that "we" pay for any loss under this supplemental coverage is the least of:

- 1) the value of covered property as described in the Valuation section of this coverage form; or
- 2) \$15,000.

- c. **Time Limitation** - "We" extend coverage to the additional property that "you" acquire for up to 60 days.

This supplemental coverage will end when any of the following first occur:

- 1) this policy expires;
- 2) 60 days after "you" obtain the additional property; or
- 3) "you" report the additional property to "us".

- d. **Additional Premium** - "You" must pay any additional premium due from the date "you" acquire the additional property.

**2. Pollutant Cleanup And Removal -**

- a. **Coverage** - "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.

- b. **Time Limitation** - The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

- c. **We Do Not Cover** - "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** - The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.



**PERILS COVERED**

"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

**PERILS EXCLUDED**

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Civil Authority** - Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** - Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** - "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** - Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage

caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

**f. War And Military Action -**

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

**2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:**

- a. **Contamination Or Deterioration** - "We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts** - "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
  - 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical Currents** - "We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- d. **Explosion, Rupture, Or Bursting** - "We" do not pay for loss or damage caused by or resulting from explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.
- e. **Loss Of Use** - "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.
- f. **Mechanical Breakdown** - "We" do not pay for loss or damage caused by or resulting from any

mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.

- g. Missing Property** - "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- h. Pollutants** - "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. Temperature/Humidity** - "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. Theft From An Unattended Vehicle** - "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. Voluntary Parting** - "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- l. Wear And Tear** - "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

## WHAT MUST BE DONE IN CASE OF LOSS

- 1. Notice** - In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

- 2. You Must Protect Property** - "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment Of Reasonable Costs** - "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
- b. **We Do Not Pay** - "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

3. **Proof Of Loss** - "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
  - a. the time, place, and circumstances of the loss;
  - b. other policies of insurance that may cover the loss;
  - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** - "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** - "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** - "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** - "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** - "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** - "You" must cooperate with "us" in performing all acts required by this policy.

#### VALUATION

1. **Actual Cash Value** - The value of covered property will be based on the actual cash value at the time of loss (with a deduction for depreciation).
2. **Pair Or Set** - The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss To Parts** - The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

#### HOW MUCH WE PAY

1. **Insurable Interest** - "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** - "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Loss Settlement Terms** - Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:

- a. the amount determined under Valuation;
- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- c. the "limit" that applies to the covered property.

#### 4. Coinsurance -

- a. **When Coinsurance Applies** - "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss** - "Our" part of the loss is determined using the following steps:
  - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit** - If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit** - If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply** - Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

- 5. **Insurance Under More Than One Coverage** - If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

#### 6. Insurance Under More Than One Policy -

- a. **Proportional Share** - "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount** - If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

### LOSS PAYMENT

#### 1. Loss Payment Options -

- a. **Our Options** - In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;

- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
- 4) take all or any part of the property at the agreed or appraised value.

b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** - "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

## 2. Your Losses -

a. **Adjustment And Payment Of Loss** - "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.

b. **Conditions For Payment Of Loss** - An insured loss will be payable 30 days after:

- 1) a satisfactory proof of loss is received; and
- 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

## 3. Property Of Others -

a. **Adjustment And Payment Of Loss To Property Of Others** - Losses to property of others may be adjusted with and paid to:

- 1) "you" on behalf of the owner; or
- 2) the owner.

b. **We Do Not Have To Pay You If We Pay The Owner** - If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

## OTHER CONDITIONS

1. **Appraisal** - If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** - Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** - When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** - This provision applies only if the insured is an individual.
  - a. **Your Death** - On "your" death, "we" cover the following as an insured:
    - 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
    - 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.
  - b. **Policy Period Is Not Extended** - This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** - This coverage is void as to "you" and any other insured if, before or after a loss:
  - a. "you" or any other insured have willfully concealed or misrepresented:
    - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
    - 2) "your" interest herein; or
  - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** - "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** - If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
  - a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** - A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** - If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** - No one may bring a legal action against "us" under this coverage unless:
  - a. all of the "terms" of this coverage have been complied with; and



- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

- 11. Territorial Limits** - "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

## **DEFINITIONS**

1. "Earth movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- e. eruption, explosion, or effusion of a volcano.

2. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature. "Flood" includes, but is not limited to:

- a. overflow of inland or tidal waters, waves, tidal waves, or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
- b. unusual and rapid accumulation or runoff of surface waters from any source; or
- c. mudslides or mudflows if caused by:
  - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
  - 2) currents of water exceeding anticipated cyclical levels.

3. "Limit" means the amount of coverage that applies.

4. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

5. "Schedule of coverages" means:

- a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
- b. declarations or supplemental declarations that pertain to this coverage.

6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

"Volcanic action" does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the covered property.

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## QUICK REFERENCE COMMERCIAL INLAND MARINE COVERAGE PART

### READ YOUR POLICY CAREFULLY

The Commercial Inland Marine Coverage Part in your policy consists of Declarations, one or more Coverage Forms, Commercial Inland Marine Conditions, Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up this Coverage Part.

#### DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business
- Limits of Insurance
- Forms and Endorsements applying to the Coverage
- Part at time of issue

#### COVERAGE FORM(S)

##### COVERAGE

- Covered Property (If Applicable)
- Property Not Covered
- Covered Causes of Loss
- Additional Coverage – Collapse (If Applicable)
- Coverage Extensions (If Applicable)

##### EXCLUSIONS

- Earthquake (If Applicable)
- Governmental Action
- Nuclear Hazard (If Applicable)
- War and Military Action
- Water (If Applicable)
- Other Exclusions (If Applicable)

##### LIMITS OF INSURANCE

##### DEDUCTIBLE (If Applicable)

##### ADDITIONAL CONDITIONS

##### DEFINITION(S)

#### COMMERCIAL INLAND MARINE CONDITIONS

##### LOSS CONDITIONS

- Abandonment
- Appraisal
- Duties in the Event of Loss
- Insurance Under Two or More Coverages
- Loss Payment
- Other Insurance
- Pair, Set or Parts
- Privilege to Adjust With Owner
- Recoveries
- Reinstatement of Limit After Loss
- Transfer of Rights of Recovery Against Others to Us

##### GENERAL CONDITIONS

- Concealment, Misrepresentation or Fraud
- Legal Action Against Us
- No Benefit to Bailee
- Policy Period
- Valuation

#### COMMON POLICY CONDITIONS (IL0017) - See Common Declarations

- Cancellation
- Changes
- Examination of Your Books and Records
- Inspections and Surveys
- Premiums
- Transfer of Your Rights and Duties Under This Policy

#### ENDORSEMENTS (If Any)

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## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II – Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V – Definitions**.

### SECTION I – COVERAGES

#### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **III – Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section **II – Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section **II – Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section **II – Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

**a. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
  - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
  - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:
- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
  - (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use



includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire)



to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing,

dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement" of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C – MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:
- (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
- a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## **SECTION II – WHO IS AN INSURED**

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your



"employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;  
you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

**b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

**c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

**d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

**3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### **SECTION III – LIMITS OF INSURANCE**

**1.** The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a.** Insureds;
- b.** Claims made or "suits" brought; or
- c.** Persons or organizations making claims or bringing "suits".

**2.** The General Aggregate Limit is the most we will pay for the sum of:

- a.** Medical expenses under Coverage **C**;
- b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c.** Damages under Coverage **B**.

**3.** The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages

because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.



#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

##### b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
- (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".**

**11. "Loading or unloading" means the handling of property:**

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 16. "Products-completed operations hazard":
  - a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - b. Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle

not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:**

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.**

**21. "Your product":**

**a. Means:**

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

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CG0103 06 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** With regard to liability for Bodily Injury, Property Damage and Personal and Advertising Injury, unless we are prejudiced by the insured's or your failure to comply with the requirement, no provision of this Coverage Part requiring you or any insured to give notice of "occurrence," claim or "suit," or forward demands, notices, summonses or legal papers in connection with a claim or "suit," will bar coverage under this Coverage Part.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL  
INFORMATION AND DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.



CG2109 06 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – UNMANNED AIRCRAFT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. Exclusion 2.g. Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**g. Aircraft, Auto Or Watercraft**

**(1) Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

**(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a)** A watercraft while ashore on premises you own or rent;
- (b)** A watercraft you do not own that is:
  - (i)** Less than 26 feet long; and
  - (ii)** Not being used to carry persons or property for a charge;
- (c)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d)** Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (e)** "Bodily injury" or "property damage" arising out of:
  - (i)** The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (ii)** The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

- B. The following exclusion is added to Paragraph 2. Exclusions of Coverage B – Personal And Advertising Injury Liability:**

## **2. Exclusions**

This insurance does not apply to:

### **Unmanned Aircraft**

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- a. The use of another's advertising idea in your "advertisement"; or
- b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

### **C. The following definition is added to the **Definitions** section:**

"Unmanned aircraft" means an aircraft that is not:

- 1. Designed;
- 2. Manufactured; or
- 3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

CG2170 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

CG2184 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF CERTIFIED NUCLEAR,  
BIOLOGICAL, CHEMICAL OR RADIOLOGICAL ACTS  
OF TERRORISM; CAP ON LOSSES FROM CERTIFIED  
ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**

**D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.**

CG2186 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
  2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system," or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the Definitions Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
  2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
  3. A reinforced or unreinforced base coat;
  4. A finish coat providing surface texture to which color may be added; and
  5. Any flashing, caulking or sealant used with the system for any purpose.

CG2196 03 05

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust."
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust," by any insured or by any other person or entity.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust."
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust," by any insured or by any other person or entity.

**C. The following definitions are added to the Definitions Section:**

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

CG2425 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LIMITED FUNGI OR BACTERIA COVERAGE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART****SCHEDULE \*****Fungi And Bacteria Liability Aggregate Limit \$**

**\* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations or Change Endorsement as applicable to this endorsement.)**

**A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability.**

**2. Exclusions**

This insurance does not apply to:

- a. "Personal and advertising injury" arising out of a "fungi or bacteria incident."
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

**B. Coverage provided by this insurance for "bodily injury" or "property damage," arising out of a "fungi or bacteria incident," is subject to the Fungi and Bacteria Liability Aggregate Limit as described in Paragraph C. of this endorsement. This provision B. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.**

**C. The following are added to Section III - Limits of Insurance:**

1. Subject to Paragraphs 2. and 3. of Section III - Limits of Insurance, as applicable, the Fungi and Bacteria Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage A for all "bodily injury" or "property damage" and Coverage C. for Medical Payments arising out of one or more "fungi or bacteria incidents." This provision C.1. does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.
2. Paragraphs 5., the Each Occurrence Limit, Paragraph 6., the Damage To Premises Rented To You Limit, and Paragraph 7., the Medical Expense Limit, of Section III - Limits of Insurance continue to apply to "bodily injury" or "property damage" arising out of a "fungi or bacteria incident" but only if, and to the extent that, limits are available under the Fungi and Bacteria Liability Aggregate Limit.

**D. The following definitions are added to the Definitions Section:**

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
2. "Fungi or bacteria incident" means an incident which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.



CG2426 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

CG2639 12 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES – EMPLOYMENT - RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

“Bodily injury” to:

- 1) A person arising out of any:
  - a) Refusal to employ that person;
  - b) Termination of that person’s employment; or
  - c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- 2) The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in paragraphs a), b) or c) above is directed.

This exclusion applies:

- 1) Whether the injury-causing event described in Paragraphs a), b) or c) above occurs before employment, during employment or after employment of that person;
- 2) Whether the insured may be liable as an employer or in any other capacity; and
- 3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

“Personal and advertising injury” to:

- 1) A person arising out of any:
  - a) Refusal to employ that person;
  - b) Termination of that person’s employment; or
  - c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- 2) The spouse, child, parent, brother or sister of that person as a consequence of “personal and advertising injury” to that person at whom any of the employment-related practices described in paragraphs a), b) or c) above is directed.

IL0021 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT  
(BROAD FORM)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- 1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- 2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material," if:**

- 1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- 2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- 3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "special nuclear material" or "by-product material."

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

**"Waste"** means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

**"Nuclear facility"** means:

- a)** Any "nuclear reactor";
- b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel," or **(3)** handling, processing or packaging "waste";
- c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

**"Nuclear reactor"** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

**"Property damage"** includes all forms of radioactive contamination of property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES – DUTIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added to the **Duties** Condition:

We will notify the first Named Insured in writing of:

1. An initial offer to settle a claim made or "suit" brought against any "insured" under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the "insured" under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

8-1529 10 01

**QUICK REFERENCE  
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**READ YOUR POLICY CAREFULLY**

The Commercial General Liability Coverage Part in your policy consists of Declarations, a Coverage Form (CG0001), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up this Coverage Part.

**DECLARATIONS**

- Named Insured and Mailing Address
- Policy Period
- Description of Business and Location of Premises
- Limits of Insurance
- Forms and Endorsements applying to the Coverage Part at time of issue

**COVERAGE FORM (CG0001)**

**SECTION I – COVERAGES**

Coverage A – Bodily Injury and Property Damage Liability

- Insuring Agreement
- Exclusions

Coverage B – Personal and Advertising Injury Liability

- Insuring Agreement
- Exclusions

Coverage C – Medical Payments

- Insuring Agreement
- Exclusions

Supplementary Payments

**SECTION II – WHO IS AN INSURED**

**SECTION III – LIMITS OF INSURANCE**

**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

- Bankruptcy
- Duties in the Event of Occurrence, Claim or Suit
- Legal Action Against Us
- Other Insurance
- Premium Audit
- Representations
- Separation of Insureds
- Transfer of Rights of Recovery Against Others to Us
- When We Do Not Renew

**SECTION V – DEFINITIONS**

**COMMON POLICY CONDITIONS (IL0017) - See Common Declarations**

- Cancellation
- Changes
- Examination of Your Books and Records
- Inspections and Surveys
- Premiums
- Transfer of Your Rights and Duties Under This Policy

**ENDORSEMENTS (If Any)**

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8-1834 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF PRIMARY AND EXCESS PROVISIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be either primary or primary and noncontributing. Where required by contract, we will consider any other insurance maintained by the additional insured for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

8-1834 12 04



8-2203 05 09

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LIMITED EXCLUSION - OPERATIONS COVERED BY A  
CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

**Location of Operation(s):** Any location for which coverage is or was provided by a consolidated (wrap-up) insurance program.

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- 1) Provides coverage identical to that provided by this Coverage Part; or
- 2) Has limits adequate to cover all claims.

This exclusion does not apply if:

- 1) The consolidated (wrap-up) insurance program covering your operations has been cancelled, non-renewed or otherwise no longer applies for reasons other than the exhaustion of all available limits, whether such limits are available on a primary, excess or on any other basis. You must advise us of such cancellation, nonrenewal or termination as soon as practicable; or
- 2) The "bodily injury" or "property damage" arises out of your operations that are incidental to the operations covered by the consolidated (wrap-up) insurance program but are not and were never intended to be covered by the consolidated (wrap-up) insurance program, and the "bodily injury" or "property damage" occurs away from the location of the operations covered by the consolidated (wrap-up) insurance program.

8-2203 05 09

8-2364 01 17

**THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.  
PLEASE READ IT CAREFULLY**

### **PROFESSIONAL LIABILITY INSURANCE**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE. INSURING AGREEMENTS A. AND B. APPLY ONLY TO CLAIMS AND DISCIPLINARY PROCEEDINGS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE ENDORSEMENT PERIOD AND, AS APPLICABLE, THE EXTENDED REPORTING PERIOD.**

**THE ENDORSEMENT'S AGGREGATE LIMIT OF LIABILITY WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DAMAGES AND CLAIM EXPENSES.**

**PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.** Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine rights, duties and what is and is not covered.

Throughout this Endorsement the words in **bold** are defined terms within Section II, the Definitions section of this Endorsement. Throughout this Endorsement, the words **you** and **your** refer to the **Named insured** as defined in Section II.K. The words **we**, **us**, and **our** refer to the Company providing this insurance.

#### **SCHEDULE\***

<b>Coverage</b>	<b>Limit Of Liability</b>
<b>A. Professional Liability Coverage – Aggregate</b>	<b>\$</b>
<b>B. Professional Liability Coverage – Each Claim</b>	<b>\$</b>
<b>C. Bodily Injury &amp; Property Damage Sublimit – Aggregate</b>	<b>\$</b>
<b>D. Bodily Injury &amp; Property Damage Sublimit – Each Claim</b>	<b>\$</b>
<b>Deductible</b>	
<b>Business Activities</b>	
<b>Retroactive Date</b>	
<b>Endorsement Premium</b>	

**\* (Information required to complete this endorsement, if not shown above, will be shown in the Declarations or Change Endorsement.)**

#### **I. INSURING AGREEMENTS**

##### **A. Professional Liability Coverage**

We will pay on behalf of the **insured** those amounts which the **insured** is legally obligated to pay as **damages** caused by a **wrongful act** taking place within the Endorsement territory and subsequent to the applicable **Retroactive Date** and prior to the expiration or termination date of this Endorsement, for which a **claim** is first made against the **insured** during the **Endorsement period** and reported to us in writing during the **Endorsement period** or any applicable extended reporting period, as described in Section V. Extended Reporting Period; provided that prior to the inception date of this Endorsement, no **insured** knew, nor could have reasonably foreseen, that the **wrongful act** might result in a **claim**.

##### **B. Our Rights and Duties in the Event of Claims:**

1. We have the right and duty to defend any **claim** brought against the **insured** seeking **damages** caused by a **wrongful act** to which this insurance applies, including the right to appoint counsel to defend the

**insured**, and will do so even if any of the allegations of the **claim** are groundless, false or fraudulent. We may make such investigation of any **claim** as we deem expedient. Our right and duty to defend ends when we have used up the applicable Limit of Liability in the payment of **damages** and/or **claim expenses**, or have tendered the applicable Limit of Liability to a court of competent jurisdiction. We have no obligation or duty to defend any **claim** for which coverage is excluded hereunder or not otherwise afforded by this Endorsement and we are not obligated to pay any **claim expenses** incurred by the **insured** in the defense of any **claim** not covered by this Endorsement.

2. We will have the right to make, with your consent, any settlement of a **claim** under this Endorsement. If you refuse to consent to a settlement within the applicable Limit of Liability that is recommended by us and acceptable to the claimant(s), then our maximum liability under this Endorsement for such **claim** will be the sum of the **damages** for which the **claim** could have been settled and the **claim expenses** incurred up to the time we made such recommendation, subject at all times to the applicable Limit of Liability under this Endorsement as specified in Section VII. LIMITS OF LIABILITY AND DEDUCTIBLE. At all times, we shall retain the right and duty to defend any **claim** brought against the **insured** seeking **damages** caused by a **wrongful act** to which this insurance applies, including the right to appoint counsel.

## II. DEFINITIONS

**A. Advertising activities** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:

1. Notices that are published include material placed on the Internet or on similar electronic means of communication;  
and
2. Only that part of a website that promotes your goods, products or services for the purpose of attracting customers or supporters shall be considered **advertising activities**.

**B. Advertising injury** means injury arising out of one or more of the following offenses committed in the course of your **advertising activities**:

1. Libel, slander or defamation;
2. Disparaging a person's or organization's goods, products or services;
3. Misappropriation of advertising ideas or style of doing business;
4. Piracy or unfair competition;
5. Use of another's advertising ideas; or
6. Infringing upon another's copyright, title, slogan, patent, trademark, trade name, trade dress or service mark in your **advertising activities**.

**C. Bodily injury** means physical injury, sickness, disease, mental anguish, or emotional distress sustained by a person, including death resulting from any of these at any time.

**D. Claim** means any of the following resulting from a **wrongful act**:

1. a written demand for money or services received by any **insured**;
2. service of **suit** against an **insured**; or
3. an administrative proceeding commenced against an **insured** by a filing of charges.

**Claim** shall not include any proceeding solely seeking non-pecuniary relief.

**E. Claim expenses** means:

1. Fees, costs and expenses resulting from the investigation, adjustment, settlement and defense of a **claim**; and

2. The premiums for appeal, attachment or similar bonds, but only for bond amounts within the applicable Limits of Liability. We do not have to furnish these bonds.

**Claim expenses** do not include:

1. salaries or expenses of our regular employees or officials or salaries or compensation of any **insured**; or
2. fees, costs, or expenses incurred by the **insured** without our prior written consent. These unilaterally incurred fees, costs, or expenses will not be reimbursed by us nor reduce the deductible under the Endorsement.

**F. Damages** mean a monetary and compensatory judgment, award or settlement, including punitive or exemplary damages to the extent such amounts are insurable under applicable law or statute; provided, however, the insurance afforded by this Endorsement for punitive or exemplary damages awarded in any **claim** shall not exceed a sub-limit equal to 25% of the applicable Each Claim Limit of Liability stated on the Schedule, Declarations or Change Endorsement which sub-limit shall be part of and not in addition to the Each Claim Limit of Liability for such **claim**.

**Damages** include:

1. Pre-judgment interest awarded against the **insured** on that part of any covered judgment we pay. If we make an offer to pay the applicable Limit of Liability, we will not pay any prejudgment interest based on that period of time after the offer.
2. All interest on the full amount of any covered judgment that accrues after entry of the judgment and before we have paid, offered to pay, or have tendered or deposited to a court of competent jurisdiction the part of the judgment that is within the applicable Limit of Liability.

**Damages** do not include:

1. The multiple portion of a multiplied damages award, other than punitive or exemplary damages;
2. amounts the **insured** is required to pay or return as restitution;
3. fines, penalties, sanctions, taxes or fees assessed against the **insured**, other than punitive or exemplary damages;
4. judgments or awards arising from acts deemed uninsurable by law;
5. fees or charges, including over-charges or cost overruns, incurred by any **insured**;
6. the reduction, forgiveness or compromise of any fees or other compensation owed to an **insured** by a third party;
7. the return of fees or other compensation paid to an **insured**; or
8. the cost of non-pecuniary relief.

**G. Disciplinary proceeding** means any proceeding by an administrative, regulatory or disciplinary official, board, or agency to investigate charges of professional misconduct in the performance of or failure to perform **professional services**. However, **disciplinary proceeding** shall not include a criminal proceeding.

**H. Endorsement period** means the period from the inception date stated in the declarations of the policy to which this endorsement is attached to the expiration date stated in the declarations of the policy to which this endorsement is attached, or its earlier termination date, if any.

**I. Insured means:**

1. you and any **subsidiary**;
2. any current or former principal, partner, executive officer, director, member, manager, stockholder, trustee, employee or volunteer of you or any **subsidiary**, but solely while acting on behalf of you or any **subsidiary** and within the course and scope of their duties as such;

3. in the event of death or incapacity of any person identified as an **insured** in 2. above, the legal representative of such person in his or her capacity as such, for any **claim** against such **insured**;
  4. **leased** personnel under the supervision of you or any **subsidiary**, but solely while acting on behalf of you or any **subsidiary** within the course and scope of their lease agreement and so long as you have agreed in writing to provide insurance to such leased personnel;
  5. a temporary worker under the supervision of you or any **subsidiary**, who is furnished to you or any **subsidiary** to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions; or
  6. Any independent contractor under contract with you or any **subsidiary**, but solely while acting on behalf of you or any **subsidiary**.
- J. Intellectual property** means property that is created through the intellectual efforts of its creator which is claimed to be protected by law.
- K. Mediation** means the voluntary and nonbinding process by which the **insured** and claimant(s) agree to use a neutral and qualified third party to intercede between the **insured** and claimant(s) with the intention to reconcile the **insured** and claimant(s) to resolve a **claim**. Court ordered or imposed mediation or other court ordered dispute resolution are specifically excluded from this definition.
- L. Named insured** means the entity or individual named in the Policy Declarations.
- M. Newly acquired subsidiary** means any entity newly formed or acquired by you during the **Endorsement period** in which you have more than 50% of the legal or beneficial interest, but only if each of the following conditions have been satisfied:
1. Within 60 days of such formation or acquisition, you have provided us with full particulars of such entity and we have agreed in writing to insure such entity, but we shall not be required to insure such entity; and
  2. You have paid the additional premium, if any, charged by us and have agreed to any amendment of the provisions of this Endorsement.
- N. Other insurance** includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, **pools**, self-insurance trusts, captive insurance companies, inter-insurance exchanges, mutual insurance companies, stock insurance companies, risk retention groups, reciprocal exchanges, mutual benefit or assistance programs, or any other plan or agreement of risk assumption.
- O. Personal injury** means injury arising out of one or more of the following offenses:
1. false arrest, detention or imprisonment;
  2. malicious prosecution;
  3. wrongful entry or wrongful eviction;
  4. invasion of right of private occupancy;
  5. oral or written publication of material that slanders or libels a person or organization or defames or disparages a person's or organization's goods, products or services; or
  6. oral or written publication of material that violates a person's right of privacy.
- P. Professional services** means services performed by an **insured** for others for a fee solely while in the pursuit of the business activities stated in the Schedule, Declarations or Change Endorsement. Professional services does not include an independent action of the insured outside of or not related to any business activity performed for a fee as stated in the Schedule, Declarations or Change Endorsement.
- Q. Property damage** means:
1. physical injury to or destruction of tangible property, including all resulting loss of use of that property;
- or

2. clean up costs other than for clean up or removal of hazardous substances; or
3. loss of use of tangible property that has not been physically injured or destroyed.

**R. Related claims** means two or more **claims** arising out of a **wrongful act** or **wrongful acts** that are logically or causally connected.

**S. Retroactive date** means:

1. the inception date of the earliest Professional Liability policy issued to the **Named Insured** that offered the same or substantially equivalent coverage as provided in this Policy, provided such coverage was maintained on a continuous basis from the inception date of the first such Professional Liability policy to the inception date of this Policy; and
2. with respect to the amount of any increase in any Limit of Liability in any such prior Professional Liability policy issued to the **Named Insured**, the effective date of each such increase; and, with respect to the amount of the Limit of Liability prior to each such increase, the date any such prior Limit of Liability became effective. As to any such applicable **Retroactive Date**, no coverage is provided under this Endorsement for any **claim expenses** or **damages** in excess of the Limit of Liability in effect in such prior Professional Liability policy immediately prior to such **Retroactive Date**.

**T. Subsidiary** means:

1. any entity of which you own, either legally or beneficially, more than a fifty percent (50%) interest on or before the inception date of this Endorsement, provided such entity's business activities are included within those stated in the Schedule, Declarations or Change Endorsement or any applicable endorsement and such entity's exposures have been reported to us; or
2. any newly acquired subsidiary.

Coverage for any **subsidiary** and its **insureds** under this Endorsement is limited to any **claim** arising out of a **wrongful act** by or on behalf of such entity committed (i) on or after the date you acquire, either legally or beneficially, more than a fifty percent (50%) interest in such entity and (ii) prior to the date your legal or beneficial interest in such entity becomes less than 50%.

**U. Suit** means a civil proceeding in which **damages** resulting from a **wrongful act** are alleged. **Suit** includes an arbitration proceeding to which the **insured** is required to submit or to which the **insured** has submitted with our consent.

**V. Wrongful act** means:

1. **personal injury** committed in the rendering of or failure to render **professional services** by the **insured** or a person acting under the **insured's** direction, control or supervision and for whose acts, errors or omissions the **insured** is legally liable; or
2. a negligent act, error or omission in the rendering of or failure to render **professional services** by the **insured** or a person acting under the **insured's** direction, control or supervision and for whose acts, errors or omissions the **insured** is legally liable.

All **wrongful acts** that are logically or causally connected will be deemed one **wrongful act** that, for the purpose of determining coverage under this Endorsement, occurred at the time of the earliest act, error or omission.

### III. ENDORSEMENT TERRITORY

#### Worldwide

This Endorsement applies to **wrongful acts** anywhere in the world except any location that is subject to trade or other economic sanctions or embargo by the United States of America, or where coverage is otherwise prohibited by the United States Office of Foreign Assets Control. However, any **claim** must be brought in the United States.

### IV. EXCLUSIONS



This Endorsement does not apply to any **claim**:

- A.** based upon, arising out of, in whole or in part, directly or indirectly, the performance of or failure to perform **professional services** for:
- (a) any **insured**;
  - (b) any entity which is owned or controlled by, or is under common ownership or control with, any **insured**;
  - (c) any natural person or entity which owns or controls any entity included within the definition of **insured**; or
  - (d) any entity of which any **insured** is a director, officer, partner or principal shareholder;
- B.** based upon or arising out of, in whole or in part, directly or indirectly, a wrongful, dishonest, fraudulent, criminal or malicious act or gaining of any personal profit to which the **insured** is not entitled if a final, non-appealable judgment or adjudication adverse to the **insured** establishes such a wrongful, dishonest, fraudulent, criminal or malicious act or personal profit.

This exclusion B. does not apply to **claim expenses** incurred in defending any such **claim** until there is a final adjudication, judgment, binding arbitration decision or conviction against an **insured**, or admission by an **insured**, establishing such wrongful, criminal, dishonest, fraudulent or malicious act or personal profit or a plea of nolo contendere or no contest regarding such an act or personal profit, at which time you shall reimburse us for all **claim expenses** incurred defending the **claim** and we shall have no further liability for **claim expenses**.

This exclusion does not apply to any liability of you or any **insured** that did not personally participate in or personally commit the wrongful, dishonest, fraudulent, criminal or malicious act or gain such personal profit, if coverage would otherwise be afforded by this Endorsement for the resulting **damages**.

- C.** based upon or arising out of, in whole or in part, directly or indirectly, the insolvency or bankruptcy of any **insured** or any other person, firm or organization;
- D.** based upon or arising out of, in whole or in part, directly or indirectly, discrimination of any kind, violation of civil rights, or any allegation that a person was subjected to unfair treatment or a denial or reduction of benefits, privileges or accommodation in violation of any law, statute, ordinance or regulation designed to ensure equal access to opportunities, goods, services, facilities or accommodations, or any wrongful employment practice of any kind;
- E.** based upon or arising out of, in whole or in part, directly or indirectly, sexual abuse, sexual harassment or coercion, quid-pro-quo offer of **professional services** for sexual favors, or other verbal or physical conduct of a sexual nature;
- F.** based upon or arising out of, directly or indirectly, in whole or in part, the presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any substances including asbestos, mold or radon which are or may be injurious to public health or the environment (herein called hazardous substances) into or upon land, the atmosphere or any water course or body of water or indoors.

It is further agreed that this Endorsement does not apply to any **claim** or liability including expenses for:

1. the costs of clean up or removal of hazardous substances; or
2. the cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances; or
3. the cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to the environment, which may otherwise result; or
4. any loss, cost, or expense arising out of any government direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.



- G. for which you or any carrier as your insurer may be liable, under any Workers' Compensation, Unemployment Compensation, Disability Benefits Law, the Employee Retirement Income Security Act of 1974 and as amended, or any similar law or regulation; or for any liability of the **insured** arising out of the injury, sickness, disease or death resulting therefrom of any employee of any **insured** arising out of and in the course of his employment by the **insured**;
- H. based upon or arising out of, directly or indirectly, in whole or in part, any nuclear reaction, radiation or contamination, under any circumstances and regardless of cause, within or originating from a nuclear facility;
- I. based upon or arising out of, directly or indirectly, in whole or in part, **advertising injury** or any other misappropriation, infringement, or use of a copyright, title, slogan, patent, trademark, trade-name, trade dress, service mark, domain name, trade secret or any violation of an intellectual property right or law;
- J. based upon or arising out of, directly or indirectly, in whole or in part, **bodily injury** or **property damage**; provided, however, the insurance afforded by this endorsement for any act within this exclusion in any **claim** shall not exceed a bodily injury or property damage sub-limit if stated on the Schedule, Declarations or Change Endorsement which sub-limit shall be part of and not in addition to the Each Claim Limit of Liability for such **claim**.
- K. based upon or arising out of, in whole or in part, directly or indirectly, liability assumed under any contract or agreement; however, this exclusion does not apply to liability you would have in the absence of such contract or agreement;
- L. based upon or arising out of, in whole or in part, directly or indirectly, express warranties or guarantees, fee disputes or an **insured** allegedly exceeding a contract price, cost guarantee or cost estimate;
- M. based upon or arising out of, in whole or in part, directly or indirectly, any **claim** or circumstance that is reported to any other insurer by any **insured** prior to the effective date of this Endorsement;
- N. based upon or arising out of, in whole or in part, directly or indirectly, any violation of any privacy laws, any services rendered in the design, development, construction, hosting or maintenance of an internet site, or any computer attack;
- O. based upon or arising out of, in whole or in part, directly or indirectly, any services rendered or which should have been rendered by an **insured** as a lawyer, accountant, franchisor, property developer, builder or construction manager;
- P. based upon or arising out of, in whole or in part, directly or indirectly, any services for which the **insured** takes an ownership interest as payment;
- Q. based upon or arising out of, in whole or in part, directly or indirectly, any services involving any investment advice, tax advice, funds management or purchase of securities, including, but not limited to any merger or acquisition activities;
- R. based upon or arising out of, in whole or in part, directly or indirectly, any procurement or maintenance of any insurance, bond, structured settlement, mortgage or benefit plan;
- S. based upon or arising out of, in whole or in part, directly or indirectly, any defective title or deed, or the formulation, promotion, syndication, offer, sale or management of any limited partnership, general partnership, real estate investment trust or other security, including any interest therein;
- T. based upon or arising out of, in whole or in part, directly or indirectly, any commingling or transfer of funds, discretionary control of funds, monies or securities;
- U. based upon or arising out of, in whole or in part, directly or indirectly, any mechanical breakdown, electrical, data transmission, telecommunications or satellite systems failure;
- V. based upon or arising out of, in whole or in part, directly or indirectly, labor relations or any violation of any anti-trust law or agreement or conspiracy in restraint of trade;
- W. based upon or arising out of, in whole or in part, directly or indirectly, any subsidence, latent building or

construction defects, environmental assessment or determination of a flood zone, exterior insulation or finish system or termites;

- X. based upon or arising out of, in whole or in part, directly or indirectly, any actual or alleged **Wrongful Act** committed before the applicable **Retroactive Date**; or
- Y. based upon or arising out of, in whole or in part, directly or indirectly, any repossession services performed by the **insured**, any levy or judicial sale or purchase of real property by the **insured**, debt collection for the federal government, or any factored debt.

## V. EXTENDED REPORTING PERIOD

As a condition precedent to your right to obtain an Automatic Extended Reporting Period (AERP) or an Extended Reporting Period (ERP), the full premium of this Endorsement, any premium for any endorsement hereto and all applicable deductibles must have been paid in full. Neither the AERP nor the ERP reinstate or increase the Limits of Liability. Neither the AERP nor the ERP extend the **Endorsement period** or change the scope of coverage afforded by this Endorsement.

### A. Automatic Extended Reporting Period (AERP)

If we or you cancel or non-renew this Endorsement for any reason other than non-payment of premium, non-payment of deductible, non-compliance with any terms and conditions of this Endorsement, fraud or material misrepresentation, then you shall be entitled to an Automatic Extended Reporting Period (AERP) period of (60) sixty days from the date of Endorsement expiration or cancellation to report **claims** in writing to us which are first made against the **insured** during the **Endorsement period** and arise out of a **wrongful act** which takes place subsequent to the applicable **Retroactive Date** and prior to the Endorsement expiration or cancellation date. If the ERP in Section B. below is purchased then this AERP shall be included within such ERP.

### B. Extended Reporting Period (ERP)

If we or you cancel or non-renew this Endorsement for any reason other than non-payment of premium, non-payment of deductible, non-compliance with any terms and conditions of this Endorsement, fraud or material misrepresentation, then you shall be entitled to purchase an ERP from the options below which begins from the date of Endorsement expiration or cancellation to report **claims** in writing to us which are first made against the **insured** during the **Endorsement period** or ERP and arise out of a **wrongful act** which takes place subsequent to the applicable **Retroactive Date** and prior to the Endorsement expiration or cancellation date.

#### 1. ERP Options

- a. One year for a premium not to exceed 125% of the annual premium.
  - b. Two years for a premium not to exceed 150% of the annual premium.
  - c. Three years for a premium not to exceed 175% of the annual premium.
2. Your right to purchase the ERP must be exercised by notice in writing to us no later than (30) thirty days after the expiration or cancellation date of this Endorsement and must include payment of premium for the ERP. Upon receipt of the written notice to us and the premium for the ERP, the entire premium is deemed fully earned and is non-refundable.

## VI. LIMITS OF LIABILITY AND DEDUCTIBLE

### A. Limit of Liability – Aggregate

The Limit of Liability - Aggregate, as stated in the Schedule, Declarations or Change Endorsement is the maximum amount we will pay for all **claim expenses** and **damages** from all **claims** covered under this Endorsement, regardless of the number of **insureds**, individuals or organizations that make a **claim**, or number of **claims** made.

### B. Limit of Liability - Each Claim

Subject to the Limit of Liability - Aggregate, the Limit of Liability - Each **Claim**, as stated in the Schedule,

Declarations or Change Endorsement is the maximum amount we will pay for **claim expenses** and **damages** from any one **claim** covered under this Endorsement.

#### C. Exhaustion

Our duty to defend will end when the applicable Limit of Liability has been exhausted by payment of **claim expenses** and/or **damages** or have been tendered to a court of competent jurisdiction.

#### D. Deductible

The deductible amount stated in the Schedule, Declarations or Change Endorsement applies to each **claim** and shall be paid by you. The deductible applies to **claim expenses** and **damages** and is part of and not in addition to the Limits of Liability stated in the Schedule, Declarations or Change Endorsement. We may advance payment of part or all of the deductible amount and upon notification of such payment being made, the **insured** must promptly reimburse us for the deductible amounts advanced by us.

#### E. Mediation of Claim

If **mediation** is used as a means to resolve a **claim** made against the **insured**, and such **claim** is resolved solely, directly and immediately by the **mediation**, then the deductible obligation of the **insured** shall be reduced by 50%, subject to a maximum credit of \$25,000. We shall reimburse the **insured** for any applicable payment made prior to the **mediation** as soon as practicable after the conclusion of the **mediation**.

#### F. Supplementary Payments

We will reimburse the **insured** for reasonable attorney's fees, costs and expenses incurred in responding to a **disciplinary proceeding** that is both first brought by a licensing authority against the **insured** and reported in writing to us during the **Endorsement period** by reason of a **wrongful act** in the performance of **professional services** taking place subsequent to the applicable **Retroactive Date** and prior to the expiration date or termination date of this Endorsement. The maximum amount payable, regardless of the number of **disciplinary proceedings** or the number of **insureds**, shall be \$5,000 in the aggregate under the Endorsement. We shall not be obligated to defend any **disciplinary proceeding**, or pay any fine, penalty or award resulting from any **disciplinary proceeding**. Any payment made by us for such attorney's fees, costs and expenses incurred in responding to a **disciplinary proceeding** shall be in addition to the applicable Limit of Liability of this Endorsement and shall not be subject to any deductible.

We will reimburse the **insured** for loss of earnings of up to \$250 per day, but not more than \$5,000 in the aggregate under the Endorsement, for personally attending any legal proceeding at our request. Any such reimbursement payment made by us shall be in addition to the applicable Limit of Liability of this Endorsement and shall not be subject to any deductible.

### VII. CONDITIONS

#### A. Related Claims And Related Events

All **related claims**, whenever made, shall be deemed to be a single **claim**, regardless of

1. the number of **related claims**;
2. the number or identity of claimants;
3. the number or identity of **insureds** involved or against whom **related claims** have been or could have been made;
4. whether the **related claims** are asserted in a class action or otherwise; or
5. the number and timing of the **related claims**, even if the **related claims** comprising such single **claim** were made in more than one **Endorsement period**.

All **related claims** shall be treated as a single **claim** made when the earliest of such **related claims** was first made, or when the earliest of such **related claims** is treated as having been made under Condition B.1. below, whichever is the earlier date.

**B. Notice of Claim**

1. If a **claim** as to which this Endorsement applies is made against any **insured**, you must give us written notice as soon as practicable, but in no event later than the Endorsement expiration or cancellation date, or AERP or ERP expiration date, whichever is latest.

2. **Incident Reporting**

If, during the **Endorsement period**, any **insured** becomes aware of a **wrongful act** which could reasonably be expected to give rise to a **claim**, you must provide written notice thereof to us as soon as practicable, but in no event later than the end of the **Endorsement period**. The notice shall contain full particulars, including but not limited:

- a. the names of the potential claimant and the **insureds** involved and a time, date, location and description of the specific **wrongful act** which forms the basis of the potential **claim**;
- b. the nature of the potential **damages** arising from such specific **wrongful act**;
- c. the circumstances by which the **insured** first became aware of the specific **wrongful act**; and
- d. the reason the **insured** believes such **wrongful act** could reasonably be expected to give rise to a **claim**.

Any **claim** arising out of such reported **wrongful act** shall be treated as a **claim** made at the time such written notice was delivered to us.

3. **Insured's Duties in the Event of a Claim:**

- a. If there is a **claim**, the **insured** must do the following:
  - i. Fully assist and cooperate with us in the conduct, defense, investigation, negotiation and settlement of any **claim**. At our request, the **insured** must: submit to an examination under oath; provide us with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents and other materials which we deem relevant to the **claim** or coverage therefor; attend hearings, depositions, proceedings, trials and appeals; assist us in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to the **insured**.
  - ii. The **insured** must do whatever is necessary to secure and affect any rights of indemnity, contribution or apportionment that the **insured** may have.
  - iii. The **insured** shall accept our assignment of counsel and shall refrain from discussing any **claim** with anyone other than our representatives or counsel retained to represent the **insured**.
- b. No **insured** will, except at its own cost, voluntarily make a payment, admit liability, retain attorneys, consultants, or vendors, assume any other obligation, or accept or reject arbitration without our prior written consent. Any payments, settlements or admissions the **insured** makes without our prior written consent will be made at the **insured's** own expense.

**C. Bankruptcy**

Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve us of any of our obligations under this Endorsement.

**D. Action Against Us**

No action shall be brought against us by any **insured**, unless, as a condition precedent thereto:

1. all **insureds** have fully complied with all the terms and conditions of this Endorsement;
2. with respect to a **claim**, the amount of **damages** has been fixed or rendered certain:
  - a. by final judgment against the **insured** after trial of the issues; and

- i. the time to appeal such judgment has expired without an appeal being taken; or
- ii. if appeal is taken, after the appeal has been determined; or
- b. by the **claim** being settled in accordance with the terms and conditions of this Endorsement;
- 3. no individual or entity shall have any right under this Endorsement to join us as a party to any **claim** to determine the liability of any **insured**; nor shall we be impleaded by the **insured** or any **insured's** legal representative in any such **claim**;
- 4. in no event shall any action brought by anyone be maintained against us unless such action is brought within twenty-four (24) months from the time the right to bring action first became available;
- 5. any disputes between you and us as to whether there is coverage under this insurance must be filed in the courts of the United States of America (including its territories and possessions), Puerto Rico or Canada.

#### **E. Other Insurance**

This insurance shall be excess of and not contribute with all other insurance, whether collectible or not, that affords coverage for a **claim**.

This condition does not apply to other insurance that is specifically and intentionally written to apply in excess of the Limits of Liability provided by this Endorsement.

#### **F. Assignment of the Insured's Interest**

The interest of the **insured** under this Endorsement is not assignable to any other person or organization, except with our prior written consent.

#### **G. Transfer of Rights of Recovery/Subrogation**

If there is a payment made by us, we shall be subrogated to all of the **insured's** rights of recovery against any person or organization. The **insured** will cooperate with us and do whatever is necessary to secure and recover upon these rights, including but not limited to executing any documents necessary to enable us to effectively bring suit in the **insured's** name. The **insured** shall do nothing that may prejudice our position or potential or actual rights of recovery. The **insured's** rights and obligations hereunder shall survive the expiration, cancellation, or termination of this Endorsement.

With respect to a **claim**, any amount recovered upon the exercise of such rights of recovery will be applied on the following terms: first, to the repayment of expenses incurred by exercise of such subrogation rights; second, to **damages or claim expenses** paid by you in excess of the Limits of Insurance; third, to **damages or claim expenses** paid by us; and finally, to **damages or claim expenses** paid by you toward the Deductible.

Notwithstanding the foregoing, we agree to waive any right of subrogation hereunder against a client of yours, with respect to any payment made in connection with a **claim** if, and to the extent that, prior to the occurrence of any **wrongful act** giving rise to such **claim**, you had agreed to waive its rights of subrogation against such client pursuant to a prior written contract or agreement.

#### **H. Cancellation**

This Endorsement may be canceled or nonrenewed as provided in the terms and conditions that apply to the policy or Coverage Part to which it is attached. The **Endorsement Period** will end at the same time and date that any cancellation or nonrenewal of the policy or Coverage Part to which it is attached takes effect.

#### **I. Changes Made to This Endorsement**

The terms and conditions of this Endorsement cannot be waived or changed except by specific written Endorsement issued by us and made part of the Endorsement.

#### **J. Audit**

We may examine and audit your books and records at any time during the **Endorsement period** and

within three (3) years after the expiration or termination date of this Endorsement, or any Extended Reporting Period, as far as they relate to this Endorsement.

**K. Application**

The statements and particulars contained in the application for this Endorsement and any and all attachments constitute the representations of all **insureds** and are material. This Endorsement is issued and continued in force by us in reliance upon the truth, accuracy and completeness of such representations, which are the basis of this Endorsement.

No knowledge or information possessed by any **insured** shall be imputed to any other **insured**, except for material facts or information known to the person or persons who signed the application. In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the application, this Endorsement shall be void with respect to any **insured** who knew of such untruth, misrepresentation or omission or to whom such knowledge is imputed.

**L. False or Fraudulent Claims**

If an **insured** reports any **claim** knowing such **claim** to be false or fraudulent, **we** will not be liable to make any payments related to that matter.

**M. Terms and Conditions of Endorsement Conformed To Statute**

Where necessary, the terms and conditions of this Endorsement will be amended to conform to applicable law.

**N. Entire Agreement**

The **insureds** agree that this Endorsement, including the application, the Policy Declarations, the Schedule and any endorsement hereto, constitutes the entire agreement between them and us or any of our agents relating to the insurance provided under this Endorsement.

**O. Economic and Trade Sanctions or Violations of Law**

Any **claim** or matter uninsurable under any act, statute, rule, regulation, ordinance, common law, or other law of the United States of America concerning trade or economic sanctions or export control laws is not covered under this Endorsement.





8-2477 01 17

## **Notice to Policyholders Professional Liability Coverage**

Bodily Injury/Property Damage coverage is now provided as part of the Professional Liability coverage, which may require additional premium.



20-1934 11 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – ASBESTOS/LEAD**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM**

This insurance does not apply to "bodily injury," "property damage," "personal and advertising injury" arising out of the actual, alleged or threatened:

- 1) dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos. This includes:
  - a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
  - b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.
- 2) exposure to lead, paint containing lead, or any other material or substance containing lead; or
- 3) any loss, cost or expense arising out of any:
  - a. Request, demand or order that any insured or others test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of lead, paint containing lead, any other material or substance containing lead, asbestos, asbestos fiber or any product containing asbestos.
  - b. Claim or "suit" by or on behalf of any person, organization or governmental authority for damages because of testing for, monitoring, cleaning up or removing, containing, or in any way responding to, or assessing the effects of lead, paint containing lead, any other material or substance containing lead, asbestos, asbestos fiber or any product containing asbestos.

20-1934 11 07

## NOTICE OF CANCELLATION



**DATE OF THIS NOTICE**  
06/18/2018

**COMMERCIAL PACKAGE POLICY**  
CLP 9899281

**NAMED INSURED**  
GEMINI PILOT SERVICES LLC  
PO BOX 12955  
ODESSA, TX 79768-2955

**AGENT VQ02**  
V R WILLIAMS & COMPANY  
PILOT CAR PROGRAM  
PO BOX 458  
WINCHESTER, TN 37398-0458

(931)967-2268

**CANCELLATION TO TAKE EFFECT ON 07/03/2018 AT 12:01 AM STANDARD TIME**

You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.

**REASON(S) FOR CANCELLATION - NONPAYMENT OF PREMIUM**

The past due premium is \$139.25

A bill for the premium earned to the time of cancellation will be forwarded in due course.

CENTRAL MUTUAL INSURANCE COMPANY  
800 S WASHINGTON ST  
VAN WERT OH 45891-2381

Toll free phone number: 800-786-9052

## NOTICE OF REINSTATEMENT



*Fulfilling the Promise Since 1876*

**DATE OF THIS NOTICE**  
06/25/2018

**COMMERCIAL PACKAGE POLICY**  
CLP 9899281

**REINSTATEMENT TO TAKE EFFECT ON 07/03/2018 AT 12:01 AM STANDARD TIME**

**NAMED INSURED**  
GEMINI PILOT SERVICES LLC  
PO BOX 12955  
ODESSA, TX 79768-2955

**AGENT VQ02**  
V R WILLIAMS & COMPANY  
PILOT CAR PROGRAM  
PO BOX 458  
WINCHESTER, TN 37398-0458

(931)967-2268

We have reinstated your policy with no lapse in coverage. The prior notice of cancellation is no longer in effect.

Your business is appreciated.

CENTRAL MUTUAL INSURANCE COMPANY  
800 S WASHINGTON ST  
VAN WERT OH 45891-2381

## NOTICE OF CANCELLATION



**DATE OF THIS NOTICE**  
07/17/2018

**COMMERCIAL PACKAGE POLICY**  
CLP 9899281

**NAMED INSURED**  
GEMINI PILOT SERVICES LLC  
PO BOX 12955  
ODESSA, TX 79768-2955

**AGENT VQ02**  
V R WILLIAMS & COMPANY  
PILOT CAR PROGRAM  
PO BOX 458  
WINCHESTER, TN 37398-0458

(931)967-2268

### **CANCELLATION TO TAKE EFFECT ON 08/01/2018 AT 12:01 AM STANDARD TIME**

You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.

**REASON(S) FOR CANCELLATION - NONPAYMENT OF PREMIUM**

The past due premium is \$169.25

A bill for the premium earned to the time of cancellation will be forwarded in due course.

CENTRAL MUTUAL INSURANCE COMPANY  
800 S WASHINGTON ST  
VAN WERT OH 45891-2381

Toll free phone number: 800-786-9052

## NOTICE OF REINSTATEMENT



*Fulfilling the Promise Since 1876*

**DATE OF THIS NOTICE**  
08/01/2018

**COMMERCIAL PACKAGE POLICY**  
CLP 9899281

**REINSTATEMENT TO TAKE EFFECT ON 08/01/2018 AT 12:01 AM STANDARD TIME**

**NAMED INSURED**  
GEMINI PILOT SERVICES LLC  
PO BOX 12955  
ODESSA, TX 79768-2955

**AGENT VQ02**  
V R WILLIAMS & COMPANY  
PILOT CAR PROGRAM  
PO BOX 458  
WINCHESTER, TN 37398-0458

(931)967-2268

We have reinstated your policy with no lapse in coverage. The prior notice of cancellation is no longer in effect.

Your business is appreciated.

**CENTRAL MUTUAL INSURANCE COMPANY**  
800 S WASHINGTON ST  
VAN WERT OH 45891-2381

## NOTICE OF CANCELLATION



**DATE OF THIS NOTICE**  
10/17/2018

**COMMERCIAL PACKAGE POLICY**  
CLP 9899281

**NAMED INSURED**  
GEMINI PILOT SERVICES LLC  
PO BOX 12955  
ODESSA, TX 79768-2955

**AGENT VQ02**  
V R WILLIAMS & COMPANY  
PILOT CAR PROGRAM  
PO BOX 458  
WINCHESTER, TN 37398-0458

(931)313-5519

### **CANCELLATION TO TAKE EFFECT ON 11/01/2018 AT 12:01 AM STANDARD TIME**

You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.

**REASON(S) FOR CANCELLATION - NONPAYMENT OF PREMIUM**

The past due premium is \$139.25

A bill for the premium earned to the time of cancellation will be forwarded in due course.

CENTRAL MUTUAL INSURANCE COMPANY  
800 S WASHINGTON ST  
VAN WERT OH 45891-2381

Toll free phone number: 800-786-9052

## NOTICE OF REINSTATEMENT



*Fulfilling the Promise Since 1876*

**DATE OF THIS NOTICE**  
11/01/2018

**COMMERCIAL PACKAGE POLICY**  
CLP 9899281

**REINSTATEMENT TO TAKE EFFECT ON 11/01/2018 AT 12:01 AM STANDARD TIME**

**NAMED INSURED**  
GEMINI PILOT SERVICES LLC  
PO BOX 12955  
ODESSA, TX 79768-2955

**AGENT VQ02**  
V R WILLIAMS & COMPANY  
PILOT CAR PROGRAM  
PO BOX 458  
WINCHESTER, TN 37398-0458

(931)313-5519

We have reinstated your policy with no lapse in coverage. The prior notice of cancellation is no longer in effect.

Your business is appreciated.

**CENTRAL MUTUAL INSURANCE COMPANY**  
800 S WASHINGTON ST  
VAN WERT OH 45891-2381